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Railway Age

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RAILWAY AGE

How Far Can Labor Go In Prohibiting "Displacement"?

The action of the heads of the six transportation brotherhoods in demanding that Congress send the Wheeler-Lea bill, S. 2009, back to the conferees to incorporate in it a provision purporting to afford additional protection to employees in mergers, "co-ordination" or abandonment is an act which can only be described as bad faith. This is the first hint that Alvanley Johnston, J. A. Phillips, D. B. Robertson, V. O. Gardner and T. C. Cashen, or any of them, have given of their insistence upon such a provision.

They let this piece of legislation progress to its final stage, giving every indication of their support of it, and then, at the last minute, said: "Hold on there. We were only fooling. We want you to kill this bill."

What Happened to A. F. Whitney Between April 29 and May 1?

Even A. F. Whitney, who had fought the Wheeler-Lea bill, insisting that it include the so-called "Harrington amendment" to put so many obstacles in the way of railroad consolidations as virtually to prohibit them, on April 29 wired to Chairman Lea that, the conferees having eliminated the consolidation section of the bill, "the source of our opposition is eliminated." Yet, on May 1, two days after Mr. Whitney sent that telegram, he and chiefs of four of the transportation brotherhoods wrote to each member of Congress a letter demanding the recommitment of the Wheeler-Lea bill.

What happened between April 29 and May 1 to cause Mr. Whitney to change his position from one of no opposition to this measure to one of extreme opposition to it? What happened to cause Messrs. Johnston, Robertson, Cashen and Phillips to express for the very first time in the more-than-a-year that this bill has been under discussion views which, if accepted, could serve only to kill legislation which they themselves have sponsored? Led by George M. Harrison and Bert M. Jewell, the heads of the other railway labor unions joined in signing a letter to Congress urging it not to recommit the bill, as demanded by the heads of the transportation brotherhoods, but to pass it. Thus the leaders of the transportation brotherhoods by their surprise action at the last moment not only refused further to co-operate with the railway executives in behalf of the Wheeler-Lea bill, but even broke with the leaders of unions representing about 80 per cent of railway employees.

By the time this issue of *Railway Age* reaches its readers the outcome of this blitzkrieg against the Wheeler-Lea bill will be known. But, whatever that outcome may be, it is certain that the question of protecting employees' jobs has become one of the key issues in the whole complex transportation problem—and one requiring realistic analysis.

To Halt Shifts in Jobs Is to Halt Progress

If a man has devoted his life to a certain skilled trade, and technological invention or managerial ingenuity suddenly make it possible for consumers to get this man's product at a lower price by some new process which dispenses with the skilled mechanic's services, the period of unemployment which the displaced mechanic suffers before he gets located again is a part of the economic cost of the new and cheaper product. Under conditions of free competition and active business, this period of unemployment may be quite short. Indeed, when the lowered costs of production of the article the mechanic used to make are passed on to consumers, there may be such an increase in demand that—despite the fact that the mechanic's old job is gone—new work may be found for him immediately in some other part of the business.

But the skilled man thus deprived of a job is not always going to find new work promptly—and somebody has got to support him until he does. Under a non-paternalistic system, the individual is required to take such chances—to save some of his income when he is employed to tide him over periods when work may be scarce. In return for accepting this hazard, the individual has the recompense of living under a regime of progress—of constantly improving efficiency in production and constantly lower prices of the things which consumers buy. Under such a regime, new opportunities for jobs occur even more rapidly than old occupations become obsolete. The individual takes a minor chance of occasional unemployment in return for the assurance of a steadily rising standard of living for himself and everybody else.

Under present conditions of large-scale enterprise, reduced competition and prolonged depression, however, new jobs for all employees displaced by technological

and managerial improvements cannot always be immediately assured. Moreover, inelastic wage scales insisted upon by labor organizations have complicated the problem of finding jobs for the "technologically unemployed." (That is, jobs might be forthcoming for such displaced employees if they would work for $5 a day—but, likely enough, the union may say: "$8 a day or nothing," so the unemployed man gets nothing.)

Monopoly Power Must Be Exercised with Intelligence

The figures show that America made unprecedented progress in improving the standard of living for everybody under a regime of relatively free competition (which has become steadily less free since the last World War, as government has extended its intervention through regulation, subsidies and high tariffs). The country can continue to progress only insofar as it constantly improves the efficiency of its production, transportation and distribution. Various conditions of monopoly which now exist make it possible partially to arrest progress in some sections of our economic life, protecting individuals and investments to some degree in the continued enjoyment of the *status quo*—holding back progress at the expense of the consuming public; and discouraging investors from embarking upon new job-giving enterprises. Most of these partial monopoly situations are the result of political power, and are difficult to dislodge. The best that can be expected from the monopolists is—not that they will willingly relinquish their advantage—but only that they will exercise it realistically, and consider long-run as well as immediate results.

One of the most powerful monopolies in this country is that of organized railway labor. When we call these organizations a monopoly, we are merely stating a fact—not a moral judgment. They are a monopoly, not because they control the entire supply of labor available for railroad work—for they do not have such control of the labor supply. They are a monopoly, rather, because they virtually fix the wages of every railroad occupation and, through their political influence and combined economic strength, establish working conditions surrounding each occupation. The railway labor monopoly has in recent years devoted more and more attention to the plight of the worker displaced by industrial change—and no one can logically censure it for that interest. That is to say, the railway industry itself, and presumably the American people, having assented to the establishment of a condition of monopoly in railway labor, cannot object to the monopoly pursuing an objective consistent with the power accorded to it.

Foolhardy to Try to Enforce Monopoly When Competitors Are Lurking Around the Corner

But the railway industry and the American public, and the individual railway worker as well, can and should demand that the railway labor monopoly exercise its power in protecting displaced railway workers with intelligence, and with proper regard for the public interest. The labor monopoly on the railroads can and does set the terms of employment for railway labor, but it has no control over the terms and conditions of *transportation labor in general.* The monopoly can say to the public, "If you use railway service, you will have to pay enough to support the labor conditions which we require in the railway industry." But the monopoly is unable to add to that dictum the phrase: "You must use railway service." The public does not have to use railway service, and the more onerous the conditions which are attached to such service, the more will the public be inclined to use transportation over which the railway labor monopoly exercises no authority.

To the extent that railway labor monopoly power may be exercised to drive customers to other agencies of transportation, the monopoly not only injures its own members, but it also injures the owners of the railways and upsets the customary channels of trade throughout the country. So individual railway employees, railway owners and managers, and the business community in general have not only the right but the duty to demand that the railway labor monopoly exercise its power with reason and restraint: "Protect the interests of your members, not only in their wages and working conditions but also in the security of their jobs, just as completely as you can—but take care that you do not go so far that railway service becomes too precious to be used; because, if that happens, your members will suffer unemployment beyond your ability to aid, and others besides your own members will suffer."

It is not reasonable for society to permit a labor monopoly in one industry to go so far in securing privileges for its membership that it causes elsewhere greater unemployment and suffering than that which it succeeds in correcting in its own bailiwick.

Various efforts which the railway labor organizations have made to promote the job-security of their members need to be weighed carefully in the light of the considerations outlined above. The so-called "Washington Agreement," providing for dismissal compensation of employees for whom jobs cannot be found in the event of "co-ordination" or merger, is a theoretically sound approach to this problem—that is, for those who accept a condition of monopoly in the field of railway labor.

The "Washington Agreement" is sound because it does not attempt to prohibit changes which are in the direction of more economical service (greater economy being the sole means toward a higher standard of living). Instead, this agreement says, in effect: "Go ahead and effect your savings, but use a part of them to prevent the *cost* of the improvement you are making from falling upon those least able to bear it." This agreement does not shut off progress in efficiency in the railroad industry. It places no insuperable handi-

cap on the railroads in meeting the competition of other agencies of transportation which make no attempt to provide job-security for their employees. And the agreement does afford reasonable protection to the workers threatened with unemployment.

Harrington Bill Not to Soften Merger Hardships, but to Prohibit Progress

By contrast, consider the bill which Congressman Harrington has introduced in Congress at the behest of the train and engine service unions, the substance of which they insist be incorporated in the Wheeler-Lea Bill. This measure would forbid the Interstate Commerce Commission to permit any merger, pooling agreement, lease or operating contract *or the abandonment of a line,* except under conditions prohibiting, not only the displacement of employees, but prohibiting also the impairment of "existing employment rights."

Congressman Harrington's measure is not designed to permit progress, compensating those whom progress may injure; rather it flatly forbids any progress at all. There cannot be any shifting about in railway services without somebody being "displaced" (and the bill doesn't say that the "displaced" must be "replaced" or compensated—it just says that there mustn't be any "displacement" at all). And what does the bill mean by "existing employment rights?" If two seniority rosters, each with 20 names on it, are merged, a position of No. 40 on the combined roster might be just as good as a No. 20 had been—but, technically speaking, the employee might claim that his "employment" rights had been impaired.

This bill is just a round-about, political way of saying by law: "Henceforth the Interstate Commerce Commission shall not permit pools, mergers, leases or operating contracts, between railroads; and shall never under any circumstances permit the abandonment of any railway mileage." Such a measure would compel the railways to retain ancient and unprofitable methods and locations, regardless of the changes in the industrial map of the country. Money would be absorbed in keeping in operation useless and moribund facilities —funds which could otherwise be used to make rate

Would Increased Volume Mean More Net?

In calculating whether or not rate changes to win back traffic are advisable—one occasionally hears the thought: "The rates will get us the business, but gross is not net, you know." Net income is, of course, always the important consideration—but in making calculations of this sort, it is well always to keep in mind that as long as a railroad is operating at less than capacity, *added traffic never involves a proportionate increase in expenses.*

And not only that—even if the operating ratio should not decline as traffic increases, a constant profit percentage of 5 billion is a lot more than the same percentage of 4 billion. It isn't because operating expenses are high, so much as it is because gross revenues are low, that the railroads stay poor.

How far a comparatively small increase in gross revenues can go to swell net railway operating income is strikingly shown by recent experience. In 1939, operating revenues were 12 per cent higher than in 1938 and operating expenses slightly over 7 per cent higher, *but net railway operating income rose almost 58 per cent.* Similarly, in the first quarter of 1940, operating revenues were up less than 10 per cent over the first quarter of 1939, and expenses rose 7.5 per cent—*but net railway operating income was up almost 34 per cent.*

It follows, therefore, in calculating whether rates which will increase gross business will also increase net revenues, that it is a pretty safe bet to assume that they will.

These conclusions are borne out even more strikingly in figures for actual dollars than in percentage ratios. For example, an increase of 430 million dollars in gross business in 1939 cost only 197 million more in expenses. *54 per cent of the increased revenues was carried over to net railway operating income.* In the first quarter of this year, when the improvement in revenues was comparatively slight (less than 10 per cent), nevertheless *one-third of the increase in gross was carried over to net.*

Of course, if the railroads were operating nearly at capacity—so that an increase in traffic would necessitate either a large increase in facilities or costly delays to traffic—new business would not bring such large increases in net revenues. But the carriers have a long way to go before they will incur disproportionately increased expenses in order to provide for heavier traffic.

It is not only because recaptured traffic would not add proportionately to expenses that it is bound to be profitable, however. Also to be considered is the fact that such traffic is largely what is known as "cream"—i. e., even at reduced rates its average yield per ton-mile would still be high. According to the careful analysis by L. W. Horning, Eastern Competitive Research Director of the A. A. R., published in these pages on April 27, there is more than 1½ billion dollars in revenue now being received by intercity trucks, a large part of which is susceptible to recovery by the railroads.

Moreover, present thin traffic in many cases does not justify desirable service to shippers, and hence tempts industry to employ other methods—not only competing transportation but such expedients as decentralization. If the recapture of competitive traffic should lead (as it certainly would lead) to more and faster train schedules, probably quite **a lot of tonnage on which no rate changes at all were made would come back to the railroads voluntarily.** Nothing succeeds like success.

There is an old axiom that any fool can spend money, some can save it, but it takes a smart boy to spend it so as to make more. No riskee-no makee.

concessions to shippers or in improving useful facilities and service (thus attracting new traffic and providing new jobs). Of course, an industry with such a handicap upon it could not hope to get to first base in competing with other forms of transportation. This measure, falsely labeled as a job-protective, is in reality a job-killer and a hope-killer.

In testifying before the Temporary National Economic Committee last week, Dr. Isador Lubin, commissioner of labor statistics, went into considerable penetrating detail on the problem of unemployment arising from industrial change; running through all his testimony was the theme that *the beneficiaries of industrial change should be made to bear, or at least to share, its costs in unemployment.* But who are the beneficiaries of industrial change, when shippers stop patronizing a railroad branch line, and go to trucking their freight? Obviously, the only beneficiaries are the shippers and the truck operators. The owners of the branch line are not beneficiaries; instead they are heavy losers. If the railroad labor monopoly covered the truckers and the shippers, it would have a right (insofar as a labor monopoly is accepted as legitimate) to call upon these truckers and shippers to relieve in some measure the railway unemployment of which they are the cause and the beneficiaries. But, having no control over shippers and truckers, these unions seek to recoup their losses, not from those responsible, but from their fellow-victims.

The Railroads Not the Beneficiaries When Traffic Abandons the Rails

Trying to force the railroads to keep a lot of branch lines in operation merely to provide jobs for labor whose services the public refuses to employ, is just plain suicidal. (Be it remembered, the Harrington bill doesn't say the lines may be abandoned if the employees are given "dismissal pay"—unjust as it would be to levy such a payment on a railroad which is itself a victim of the same industrial change from which its employees suffer. Instead, the Harrington bill says, in effect if not in honest English, that no lines may be abandoned at all.)

The protection of employees whose jobs are threatened by industrial change (particularly when beneficiaries of such change can be definitely located—and where such protection can be afforded without undesirable social consequences) is a legitimate aspiration of organized railway labor. Insofar as a partially-monopolistic order of society exists, whether we like it or not, it is common sense for the beneficiaries of industrial changes to be willing to make some concessions, if for no loftier reason than the hard-boiled practical one of persuading the monopolists to permit industrial progress to continue. And intelligent monopolists will be reasonable in such demands, because a monopoly in a growing and thriving business is a much more valuable possession than one over a bankrupt business in its death agony.

It would appear that George Harrison, and the preponderant majority of organized railway labor who adhere to the intelligent point of view which he upholds in opposition to the idea behind the Harrington bill, are looking forward with hope that the railway industry may be restored to some degree of prosperity and expansion—in which case, they doubtless expect, with good precedent to support them, to be able to extract their share of the proceeds. On the other hand, the philosophy implicit in the Harrington proposal, supported by the train and engine service organizations, is that the unions will not only harvest all the apples in the railroad orchard, but cut down the trees as well.

We read with great interest and approval a few weeks ago how the railway labor leaders had subscribed to the "moral rearmament" program. Some of them seem to have meant it.

How to End Unemployment

"For the development of any economic enterprise three human factors are fundamental. The first is the inventor, who has the idea for a new device or a new method or a new product; the second is the investor, who has sufficient confidence in the inventor's dream to give him the necessary capital to develop it; the third is the administrator or manager, who can organize the business and keep it going.

"I believe that we have more men in these three categories in America today than ever before in our history. We have always been an inventive nation. We spend several hundred million dollars a year on industrial research. Last year we patented 43,000 inventions. And there are plenty of potential investors. Never before in the history of the country has there been so much money lying idle in the banks. In these two categories of invention and investment, the condition of abundance can be statistically proved. I have no statistical proof for the condition of the third factor of business management, but I have this personal conviction: that never before in American history have there been so many business executives who are not only skilled in the technique of running their jobs, but who have a new and far more enlightened attitude toward their social responsibilities.

"These three types of men have constituted the triumphant triumvirate of our economic past. They are equally important to our future. Their activities, if released from government restrictions, can provide jobs enough and products enough to restore prosperity to America. But first we shall have to remove the political restrictions. . . ."

Wendell Willkie in an address to the American Newspaper Publishers Association

A Tank Car Built for the Shipment of Nylon Salts in a 60-Per Cent Water Solution

Car Design and the Development of Freight Traffic*

Development of special types of cars has kept pace with the demands of new industries

By E. D. Campbell

General Mechanical Engineer, American Car and Foundry Company

NOWADAYS traffic men have a bigger job than merely soliciting traffic. The use of the word "merchandise" in connection with railroads is overdone, but it has an application to your work that bears repetition. You are in the merchandise business, not only in the sense that you sell transportation, but in a much larger sense you sell shippers the idea that your equipment and your facilities assure them of a satisfactory purchase when they ship something over your road. Briefly, you sell service, and behind this service are equipment, facilities and organization.

Car Design Influenced by Conditions of Use

Railroad mechanical engineers—in which class I include the mechanical engineers responsible for designs of cars whether working for a railroad or a carbuilder—now realize that a successful design of car has back of it not only sound engineering but a recognition of the conditions under which the car will be used. We, partially, at least, rely on traffic men for information concerning these conditions; you, in turn, must obtain information from the shippers. So when I say you have a bigger job than just selling transportation, I mean you must convince the shipper that your equipment, facilities and organization can give him the best service. If you do not sell the service idea I say you are falling down on the job.

Possibly one of the reasons for anyone not selling the service idea is because he is not familiar with his equipment, facilities and organization. I cannot conceive of any traffic man not being familiar with his facilities and his organization, but I can understand that he may not be conversant with all of his road's equipment. Therefore, perhaps I can supply some data which I hope will add to your general fund of information concerning equipment.

You know you have all kinds of special cars for handling different commodities. One of the special cars just now in the limelight is the covered hopper car. This is much more than a conventional hopper car with a roof.

The Covered Hopper Car

The history of the covered hopper car is a repetition of the history of other types of cars which later became popular, although the original design was years in advance of its commercial acceptance. In 1911 my company designed and built covered hopper cars for the transportation of rice in bulk.

Not until the year of 1928 did the railroads manifest any amount of interest in this type of equipment, and then principally for the transportation of cement. However, due to economic pressure, the roads changed some

* Abstract of an address before the Traffic Club of New York at the Biltmore Hotel, April 24, 1940.

existing hoppers for this purpose. These renovated cars did not prove satisfactory as the angle of the slope sheet (30 deg.) was too flat and mechanical means were necessary to start the flow of cement. In some instances an auxiliary slope sheet, inclined at a greater angle was applied, but this innovation reduced the volumetric capacity of the car to an uneconomic load.

In this year (1928) the American Car and Foundry Company designed and built a covered hopper car for the transportation of agricultural fertilizers and similar products. The car is different from the conventional type in that the load is discharged from one side only. The floor sheets are inclined at a 30-deg. angle toward the discharge gate side of the car. The granular nature of the material transported in these cars permitted satisfactory unloading with the 30-deg. slope, but for most bulk ladings it has been our experience that the floor slope should be greater than 30 deg.; fineness of material and moisture content determine this feature.

Sensing the trend toward handling of bulk materials in cars, our company early in 1932, designed a covered hopper car as a new type of standard railway rolling stock and built one for demonstration purposes, known as ACFX-20000. This is an all-steel, riveted and welded car, capable of being loaded and unloaded quickly. It is of 70-tons capacity and is intended for the transportation of cement.

ACFX-20000 is divided into two compartments by a transverse bulkhead at the center of the car and each compartment is served by two bottom discharge gates. The floor sheets slope at an angle of 50-deg., which insures quick and clean unloading.

Shippers, of course, are interested in the handling of their materials, particularly loading and unloading. These cars have watertight hatches in the roof through which the car can be loaded in a few minutes, the time depending on the loading facilities of the shipper. Sufficient hatches are provided so that the cars are uniformly loaded. With all four discharge gates open, the car has been completely unloaded in 22 minutes. However, the average time for unloading its full capacity into a screw conveyor with a capacity of 200 barrels an hour, is two hours.

An economical advantage of this car is that if bulk materials are heavy its greater capacity permits more revenue load. The load limit of this car is approximately 80 tons, therefore, the ratio of revenue load to gross weight is 75.5 per cent. The saving in cost of bags and handling as reported by one user of this car is $90 per trip.

This car is well suited for handling many different kinds of heavy commodities, such as clays, glass sand, dolomite, cement, soda ash, carbon black, fuller's earth, powdered lime, bauxite, gypsum, refined salt, starch, whiting, corn grits, feldspar, powdered coal, and many others.

Since the advent of this demonstrator car, which, by the way, is still in use, we have built approximately 500 of this covered hopper type of car.

In the rubber industry, an immense quantity of carbon black is used. Back in 1912, a rubber manufacturer in Akron, in consultation with a carbon black company, made a discovery in the manufacture of tires, the result of which changed the complexion of every tire in the world. This, of course, is the use of carbon black beads in the rubber mix.

At first, carbon black was in powder form which obviously caused plenty of dust problems, but the carbon black suppliers reduced the powder to dust-proof beads. Handling of the material was greatly simplified, and the most economical method of transportation is bulk shipment in covered hopper cars. A considerable number of our cars are in this service and their operation is quite satisfactory.

One of the requisites in the use of carbon black is that it be 100 per cent free of moisture or foreign material. This means that the interior of these cars must be scrubbed thoroughly and water-tested for leaks.

Here is a contribution to shippers that has played some part in the low price of tires prevalent today.

Arsenic is not only a deadly poison, but also a commodity used extensively in the paint industry. It has been found entirely feasible to ship arsenic in a covered hopper and some hoppers are now in this service.

New Uses for Tank Cars

Tank cars today are used to haul commodities which a decade ago were unheard of. Commodities which we ordinarily expect to see shipped in glass bottles or in carefully crated small containers are today being transported in bulk. One of the basic chemicals in industry is sulphuric acid. This and other materials extensively used in industry attack steel, but manufacturers require bulk shipments and to meet this need in the transportation field special linings are used in the shells of tank cars. We have the lead-lined tank car for sulphuric acid, arsenic acid and phosphorous oxychloride; the rubber-lined car for muriatic acid, phosphoric acid and formaldehyde; and the nickel-clad car for caustic soda. Chlorine is one of the most dangerous commodities to ship, but for bulk shipments we have developed a forge-welded, single unit tank, insulated for temperature control.

An interesting tank car is the one employed in the shipment of Nylon salts, which are used in the manufacture of stockings and silk substitutes. This material as shipped, is a liquid of 60 per cent water. It is shipped from Belle, West Virginia, to Seaford, Delaware. The tanks are built of aluminum alloys of welded construction.

The process for production of the material known as Nylon is, first, to evaporate the water from the salt solution, after which the salt is processed and long threads finally produced. These threads are sold to manufacturers who make the finished merchandise. The virtues of Nylon thread are strength and its ability to stretch, thus reducing the likelihood of tears and runs.

In connection with the more conventional types of cars we designers do not enjoy the engineer's romance associated with special cars. The conventional car, such as the box, hopper, flat and gondola are prosaic and lack glamour.

The refrigerator is a glamorous vehicle and you will hear more of this unit as time goes on. This particular transportation unit has been trying to break through its shell of salt and ice for the past 15 years and some day it will make the grade. Its history is replete with astounding deeds. Without this car fresh fruit and vegetables at low prices would not be possible. The diet of the average American in its rich variety and low cost is something beyond the comprehension of the kings and princes of old and even probably out of the reach of some of our present day dictators. The refrigerator car has contributed in a large measure to the American high standard of living and you can appreciate my saying that it is the most glamorous in the fleet of transportation units.

Much progress has been made in weight reduction. Box cars are now in service which, save 8,000 lb. in light weight when compared to the standard A. A. R. box car; refrigerator cars which save 12,000 lb. as com-

pared to the conventional refrigerator car. Corresponding savings in dry weight have been made in other types of cars. These savings in weight do not in any way impair their strength or serviceability.

The Dollar Value of Light Weight

As a case for the light-weight car, just what does this 8,000-lb. saving in weight foretell? It promises a return in net revenue to the railroads of the freight rate applicable to the commodity shipped in hundredweight times 80. In other words, if the tariff is $1.00 per cwt., the increased revenue is $80. It also promises a saving in power costs, which is a variable factor. Some authorities use an average of $18 per ton of load per year as the cost of power. Using this figure, the 8,000-lb. saving in weight means a saving of $72 a year for power to haul this car when not loaded to the rail load limit.

The Question of Damage Claims

The designers of freight cars are making studies on a subject in which you are vitally interested and in which you can be of considerable assistance to us. I refer to a study to improve our cars so that claims arising from goods damaged in transit can be reduced. Undoubtedly you are often on the receiving end of complaints from the consignee due to the damaged condition of goods when this happens in your cars. If the causes of the damage are occasioned by something in the design of the car possible of correction the information should be available to the carbuilder. I appreciate that the routine within your organization by which information is disseminated to the proper mechanical authority, is cumbersome and not always effective, yet it is so susceptible to a program leading to large savings that some definite plan should be set up. You are in a position to bring this matter to the attention of claim agents and, with your combined efforts, something should result. The carbuilder practically always builds cars from railroad mechanical department specifications and it is a rare instance that the omission or inclusion of some detail of design is brought to our attention as being the cause of a damage claim.

I am not unmindful of the steps the railroads have taken to reduce the amount of damage claims. You have your freight claim prevention committees and through co-operation of shippers and carriers much good has been accomplished. In fact, this month is dedicated as the perfect shipping month. The newspapers report reduction of claims as much as 12 per cent for the year 1939 as compared with 1938. The year 1937 had total claims amounting to $24,380,000; in 1938 approximately $21,475,000; and in 1939, $18,880,000. However, I do not believe these committees investigate details of design and I am only directly concerned with design.

The Necessity for Economy

I have recently had occasion while here to confer with engineers from abroad, and one of the outstanding facts of these contacts is their idea of economy as compared with ours. We sometimes feel that we are keen on making savings and practicing economy, but, after a talk with some of these men from abroad I feel that we are only scratching the surface of our economic possibilities. Of course, until recently we have not had to practice economy because our country is so rich in natural resources and our people so endowed with the pioneer spirit that the question of wasting anything was not vital to the welfare of the people. The continental countries on the other hand, of necessity, had to eliminate all waste in order to survive. They passed the pioneer stage centuries ago when natural resources and vigorous development of the countries did not require observance of strict economy and elimination of waste. There is no doubt in my opinion but that our country has passed the stage where we may ignore a strict practice of economy. In other words, we can no longer afford extravagance and waste. We are no longer a young nation but have come of age and must act that age.

What connection has all this with the traffic question. The answer is, a point of easy attack in the struggle to overcome waste is in the damage claim. This one item alone is costing the railroads of this country millions of dollars every year and a determined campaign, in which co-ordination of effort is obtained, could result in cutting this amount.

I believe I am truthful in the statement that the American railroads give the public more for their transportation dollar than any other nation's railroads. It is also probably true that the shipper today gets more for his transportation dollar than he ever received before.

I need not tell you of the overnight fast freight service now inaugurated on many roads. It is now standard practice to load cars at night and for distances up to 500 miles, have them at their destination early the following morning. This means speed upwards of 60 m. p. h. and the equipment stands up in service.

Some examples have been given of transportation's contribution to industry; many others could be told and the facts make an interesting story. It must be admitted that this contribution has been a factor in not only the launching of many new industries, but also a factor in enabling established industries to improve their products with an accompanying reduction in cost. Today, research laboratories are constantly seeking methods of converting waste by-products into useful commercial articles and materials. Invariably, working jointly with this development is the transportation industry, which is fitting because after all materials and goods must be moved before manufacturer and consumer can use them. So transportation is a vital part of the whole plan and traffic men can be included in that fortunate group known as the pioneers of any new industry.

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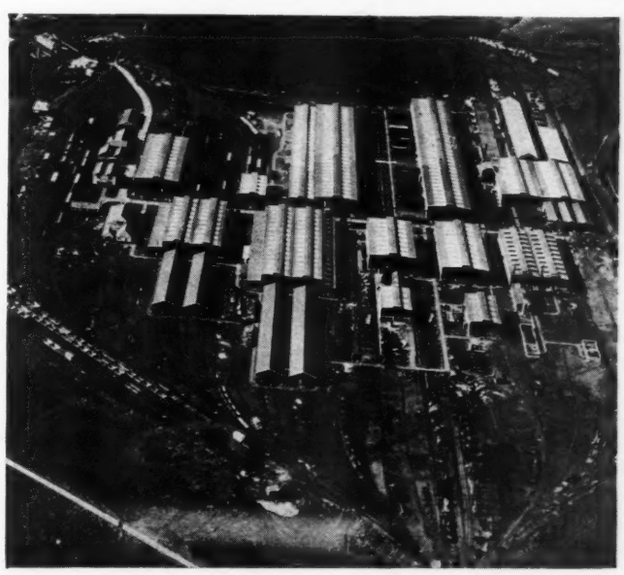


Aerial View of Modern Car and Locomotive Shops of the New Zealand Government Railways

The New Subway at Coaticook, Que., While Economical of Design and Construction, Is Attractive in Appearance

Special Features Reduced Cost of this Highway Subway

Attractive three-span structure on Canadian National has precast concrete deck slabs and piers of concrete-pile construction

AN attractive three-span double-track highway subway has been constructed on the Canadian National at Coaticook, Que., which incorporates a number of structural features that are of interest not only because of their character but also by reason of their effect in holding the cost of the structure down to an unusually low figure, the total expenditure involved amounting to only $45,738. Contributing factors in promoting the economy of this structure are the precast concrete-slab deck of the main span, a type of deck construction that is in extensive use on the C. N. R.; the type of pier construction employed, which consists of bents of precast concrete piles with concrete caps; and the use of second-hand deck plate-girders in the flanking or approach spans.

Old Subway Was Narrow

The new subway is located immediately north of the passenger station at Coaticook, where it carries Main street under the railroad's single-track main line and a side track, which are elevated on an embankment at this point. Previously the tracks had been carried over the street by means of a single-span bridge consisting of a deck plate-girder structure on stone-masonry abutments. In this structure the clear width between the faces of the abutments was only 17 ft., and, because of the restricted nature of the opening, visibility through the subway was limited, particularly from side streets that join the main thoroughfare adjacent to the subway.

In replacing the original subway, it was desired to install a structure that would not only present a more attractive appearance but which would permit of a higher degree of visibility. For these reasons a three-span structure was chosen in which the roadway is carried under the center or main span. Not only is visibility through the subway improved by reason of the fact that the roadway span is substantially wider than in the old structure, but the flanking spans provide openings through which motorists approaching the subway from side streets can observe traffic conditions on the other side of the embankment.

In the new structure the center span, which has a clear opening of 32 ft. between the faces of the pier caps, consists of precast reinforced concrete slabs, 38 ft. in length, while the two approach spans are of second-hand deck plate-girders, 28 ft. 8 in. long. Under ordinary circumstances the railroad would have used concrete slabs for all three spans, but in this case the steel spans were available and they were used in the interests of economy. The over-all length of the structure between the faces of the abutments is 96 ft. 8 in.

Walkways are provided along both sides of the bridge at the track level and are protected in each case by an ornamental iron fence extending the length of the bridge. The walkways on the main span consist of precast reinforced concrete slabs supported on concrete brackets cast integrally with the deck slabs, while on the approach spans they are of timber construction.

Details of Pile Piers

In the design of the substructure of the bridge, piers of precast concrete-pile construction were chosen because of their economy as compared with solid piers carried on pile foundations. The piles used in the piers are 16 in. square in cross section and 25 ft. long, and were constructed in accordance with the railroad's standard plans for such units. As used in this structure they serve both as the foundation piles and as the shafts of the piers. Each pier incorporates 18 piles, arranged in two parallel rows of 9 piles each. Enclosing the tops of the piles in each pier is a cast-in-place concrete cap, 4 ft. 2½ in. deep and 6 ft. wide in cross section and 29 ft. long. Cast in the top surface of each of the caps is

a recess, 2½ in. deep, for receiving the ends of the deck slabs.

A feature of the piers that contributes materially to their attractive appearance is the panelling, formed by means of grooves arranged in rectangles, that was cast in all vertical faces of the piles and the caps. The presence of the panels in the piles required that considerable care be exercised in driving them to the end that all horizontal lines in the panelling would be located at a uniform level. The work of driving the piles, which was accomplished with a 6000-lb. double-acting steam hammer, was facilitated by water jetting, a 2-in. jet pipe being cast in each pile.

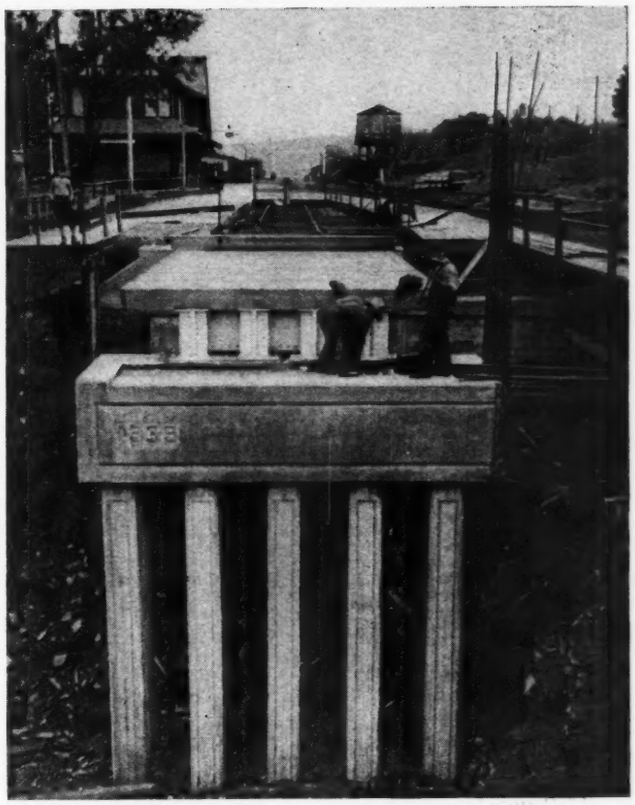
Precast concrete piles were also used for supporting the end abutments, which are of the buried type with short wing walls. Each of these abutments is supported by 20 piles, which are arranged in three rows, the two outside rows containing 7 piles each and the center row 6 piles. These piles are 10 in. square and 25 ft. long. Along the face of each abutment the embankment, which rises to within about 2 ft. of the bridge seat, was trimmed to a level surface for a width of about 5 ft., and from the shoulder of this berm it was carried down on a sodded 1¼-to-1 slope, the toe of the slope falling at the base of the pier at the opposite end of the approach span.

The Precast Slabs

As mentioned previously, the precast concrete slabs* forming the main span are of the type that is in extensive use on the C. N. R. Separate slabs are provided for each track rail and no waterproofing, ballast or crossties are used, the rails resting on tie-plate assemblies anchored directly to the slabs. The joints between adjacent units are of the lap type, with the upper half of one of the slabs overlapping the lower half of the adjacent slab by three inches. The bottom halves of adjoining slabs form a tight joint, but the upper halves are separated by a ½-in. opening, which is filled with asphalt mastic and then sealed by overlapping and soldering together strips of sheet lead anchored in the tops of the slabs.

The four slabs constructed for the Coaticook subway are each 6 ft. 6 in. wide, 38 ft. long and 3 ft. 2 in. in depth, and together form a structure having a width of 26 ft. 4 in., exclusive of the sidewalks. For supporting the latter, concrete brackets, spaced 9 ft. apart, were cast integrally with the facia sides of the outside slabs. To bring the appearance of the slabs into harmony with that of the pile piers and caps, rectangular panels were cast in the facia surfaces of the outside slabs, there being a panel in each of the spaces between the sidewalk brackets.

* The design, construction and methods of installation of these concrete slabs have been described in detail in previous articles in the *Railway Age*, the latest of which was published in the issue of July 15, 1939.

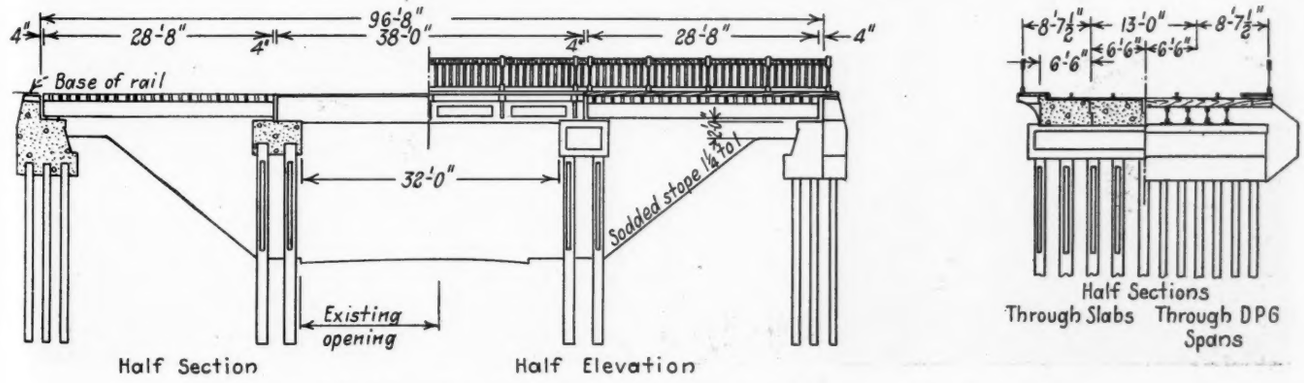


Construction View, Showing Work in Progress on the Easterly Half of the Subway

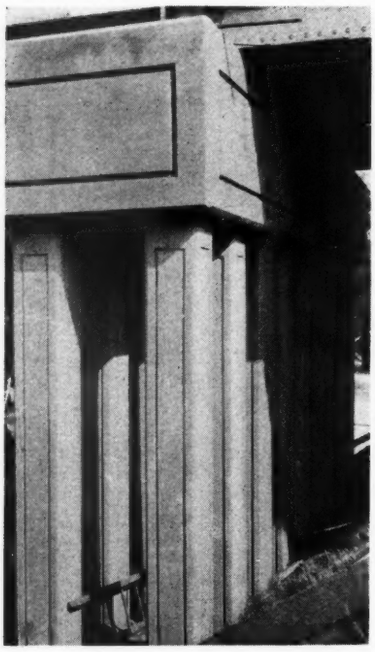
In constructing the slabs, one of the outside units was cast first, after which the adjoining slab was cast in its proper position relative to the first, this process being repeated with the other slabs until they had all been poured. This work was done at a point some distance from Coaticook and the slabs, the heaviest of which weighed 66 tons, were transported to the point of installation on flat cars and handled into position with cranes, utilizing in the latter operation lifting stirrups cast into the top surfaces of the slabs at their ends.

Construction Procedure

In the construction of the new bridge, traffic was handled over the westerly track while the easterly half of the old structure was removed and the corresponding portion of the new structure installed. As part of this work, the easterly halves of the old abutments were demolished and the necessary excavation was carried out behind the old abutments to enlarge the bridge opening



Longitudinal Half Section and Elevation, and Transverse Half Sections, of the New Subway



Close-Up View of One of the Concrete Pile Piers in the Coaticook Structure

as desired. Simultaneously with the construction of the easterly halves of the pile piers, the new abutments were constructed in their entirety, the westerly track being supported on falsework to permit this work to be done under traffic.

When the progress of the work permitted, the superstructure for the easterly half of the new structure was installed, and traffic was diverted over the track on this portion of the structure to permit the procedure to be repeated for the other half of the bridge. It is reported that, largely as a result of the use of the precast slabs, the superstructure of the bridge, including the steel approach spans, was erected in a total elapsed time of about six hours. Notwithstanding its low cost, the structure presents a pleasing appearance, which is enhanced by the fact that the steel spans were given a finish coat of aluminum paint so that they would harmonize with the concrete portions of the structure.

The concrete slabs that were installed on this job and the piles for the piers were constructed under contract, but the piles for the abutments were taken from railway stocks. All field work involved in the construction of the subway was carried out by company forces. We are indebted for the information contained in this article to C. P. Disney, bridge engineer of the Central region of the Canadian National.

Money in L. C. L. Perishables

IN 1939, the gross revenues on l. c. l. perishable traffic on the Missouri Pacific increased 16 per cent; the cost of ice and salt decreased 23 per cent, and the revenue after deduction of refrigerating costs increased 42 per cent, as compared with 1937. These results were accomplished while l. c. l. traffic in general on the M. P. was showing a decline of 9 per cent. The improvement was brought about by co-ordinating three different types of service for l. c. l. perishable freight, as follows:

Curtained refrigerator cars, one end iced.

"Portakold" portable ice boxes in regular merchandise box cars.

Refrigerated compartments in road haul trucks.

The use of these combined methods on a wide scale has set up a system of service on l. c. l. perishables that covers practically the entire railroad. Prompt delivery to local and branch line stations is assured by means of the trucks, and an adequate and efficient protection service is available throughout the entire movement. The "Portakolds" permit loading l. c. l. perishables in the regular merchandise box cars moving from the principal forwarding centers to many destinations.

Fast Service

Any quantity of perishable traffic is accepted and protected at Kansas City and St. Louis to more than 300 destinations. Refrigerator service is also available in merchandise cars to many more destinations when 500 lb. or more for a single destination is offered.

The Icing Dock at Kansas City

The ability to handle l. c. l. perishables in regular cars and highway trucks, along with other merchandise, has speeded up the service materially. Overnight service is given on such traffic to many points to which merchandise cars are loaded, with early morning delivery at such destinations. The smaller way-stations are served by means of Portakolds in cars to the distribution points and the refrigerator compartments on the highway trucks permit l. c. l. perishables to be handled on both truck and car along with the regular merchandise. For example, daily cars are loaded at Kansas City for Jefferson City, Mo., Sedalia and Nevada, and for Osawatomie, Kan., and Durand, from which points road-haul trucks radiate in various directions to peddle the l. c. l. perishables. The same system is in effect to many other truck terminals on three or four-times-weekly schedules.

Increased Business

The use of 65 Portakold portable coolers has enabled the M. P. to give protection to l. c. l. shipments of perishables where it was not heretofore possible, and, in many instances, the service thus started has grown to a point where regular curtained refrigerator cars with one end iced are necessary to handle the increased volume of traffic. During the first 10 months of 1939, the M. P. secured 2,123,626 lb. of new l. c. l. perishable traffic, the large percentage of which was regained from competitors other than railways in the territory served, or else was new business that would not have moved except for the new refrigeration service. For example, no chocolate candy was formerly shipped to the hot prairie country in the summer, whereas several carloads a week now move out of Chicago to St. Louis for transfer there into l. c. l. refrigerator units for movement to Missouri, Kansas and other states.

In addition to giving new service, the Portakolds are used on long-established l. c. l. perishable routes, which formerly required lightly-loaded refrigerator cars. In this manner, icing, switching and handling of such cars is eliminated, and in 10 months, this saved mileage for one trip each on 3,324 refrigerator cars, in addition to saving $19,033 in icing charges. Each of the 65 cooler units averages a monthly saving of $38.56 in icing charges, the actual cost of ice and salt being less than a dollar per trip, with many schedules of 48 hr. between the icing and the time of delivery, without re-icing.

The Portakold coolers and curtained ice cars are also used to distribute perishable freight which is handled in carload lots from distant cities to strategic break-bulk points, and re-billed at l. c. l. rates for shipment to local points. In this way, perishable shippers are able to build up tonnage for the same general area to a carload or more.

How Icing Is Done

Between 40 and 55 Portakold units are used regularly in merchandise cars out of Kansas City, and an icing dock has been built to service the coolers. Ice is delivered to this dock by the same trucks that are used to place ice in the bunkers of refrigerator cars on team tracks. The ice is crushed and mixed with salt in the proper proportions on the dock, the floor of which is level with the tops of the Portakolds, and the brine tanks of the coolers are filled at the platform by means of a chute and shovels, as shown in the accompanying illustration. The Portakold units are wheeled to and taken from the platform, either by hand lift jacks or by means of power platform trucks. Salt is delivered on the platform in 100 lb. bags at a cost of less than 35 cents per bag, including an allowance for bags returned in good condition.

Mixed Loads of Perishables and Other Freight Are Possible with Portakold Coolers

The service has been almost continually expanded since its inception. Recently, arrangements were made with affiliated lines in Texas whereby Portakolds are operated in merchandise cars from St. Louis, and from Kansas City to 21 points in Texas. These coolers are loaded with perishables transferred from through refrigerator cars at St. Louis and Kansas City, thus affording through protective service from northern and western points to Texas on l. c. l. shipments.

Construction of Coolers

The under-frame of the cooler is built of heavy angle irons and equipped with four roller bearing wheels to permit handling by means of a lift-jack, over ramps and in and out of freight cars. Anchoring devices are built integral with the under-carriage to permit blocking in freight cars. The exterior is of all-welded construction and fabricated from high tensile copper-bearing steel. The interior is lined with galvanized iron to permit of easy cleaning and to prevent rust and odors, and is insulated with Fiberglas. The bunkers are of all-welded construction and may be re-iced through a hatch in the top of the container without disturbing the lading.

How did the Illinois Central acquire the name "Green Diamond" for its streamliner? Well, the name just grew, according to J. V. Lanigan, passenger traffic manager: "Back in 1833, the I. C. emblem consisted of a solid black diamond, and the road was known as the 'Black Diamond Route,' due, possibly, to our coal business. When the Chicago St. Louis & New Orleans was acquired, we also inherited its symbol of a large white 'X', and that was consolidated with our emblem, making four small diamonds. More consolidations brought a pair of small circles, which we added. Eventually, came the words, 'Central Mississippi Valley Route,' in the four diamonds, with the two circles outside. Then this slogan was supplanted by the use of four words, one in each of the diamonds, 'Courtesy, Efficient Service, Always.' Finally, in 1935, we adopted our present emblem of a green diamond carrying only the words Illinois Central, and this, in turn, is symbolic of our speedster between Chicago and St. Louis—the roller-bearing, streamlined Green Diamond."

Wheeler-Lea Bill Recommitted

House sends S. 2009 back to conference which means that it is probably dead so far as this session is concerned

WASHINGTON, D. C.

The House on May 9 voted to send S. 2009 back to conference with instructions to restore the House amendment eliminated by the conferees.

The conference report on S. 2009, the Wheeler-Lea omnibus transportation bill, was scheduled to come up in the House of Representatives on Thursday afternoon with the backing of railway labor leaders claiming to speak for 850,000 workers and with the chief executives of the five train-service brotherhoods and the Order of Railroad Telegraphers, representing some 313,000 of the employees, lined up with the waterway bloc and interests claiming to speak for agriculture in support of a motion to recommit with instructions to re-insert a modified version of the Harrington "labor-protection" amendment, the Miller-Wadsworth amendment and the Jones amendment. The deflection of the train-service chiefs, as noted briefly in last week's issue, came as an eleventh-hour surprise after the conferees thought they had been given to understand that the elimination of the bill's consolidation section along with the Harrington amendment would satisfy those labor organizations working for the Harrington amendment or a substitute therefor.

Nevertheless Conferee Lea, chairman of the House committee on interstate and foreign commerce, was understood as this issue went to press to be preparing for Thursday's battle with confidence that the House would approve the conference report. If that be the outcome in the lower branch, Conferee Wheeler, chairman of the Senate committee on interstate commerce is expected to follow through to bring about prompt action by the Senate. Meanwhile Senator Wheeler last week gave expression to the opinion of most observers, predicting that if the opposition bloc in the House sends the bill back to conference it would mean the death of the measure. "Labor," the organ of railway unions, filed a dissenting opinion in the latter connection. Reporting the "Big Five's" move in its issue of May 7 that paper suggested that because "the chiefs suggest the exact form of the amendment" which they want, recommittal would cause "no material delay in the final passage of the transportation legislation."

Recommittal Stand Reaffirmed

General chairmen of the five train-service brotherhoods, summoned to a Chicago meeting this week, there voted to support their chiefs' action. The latter, as noted in last week's issue, took the form of a letter sent on May 1 to all members of Congress. The letter was signed by A. Johnston, grand chief engineer, Brotherhood of Locomotive Engineers, D. B. Robertson, president, Brotherhood of Locomotive Firemen & Enginemen, J. A. Phillips, president, Order of Railway Conductors, A. F. Whitney, president, Brotherhood of Railroad Trainmen, and T. C. Cashen, president, Switchmen's Union of North America. As indicated at the outset, V. O. Gardner, president of the Order of Railroad Telegraphers, lined up with this group at the Chicago meeting. Their proposed substitute for the Harrington amendment would seem to be tougher than the latter. It has that language about not leaving employees "in a worse position with respect to their employment;" and it would apply not only in consolidation cases, but also in connection with substitutions of another form of transportation for rail service and in abandonments.

Chairman Lea, in remarks quoted more extensively below, calls it "a novel provision probably not heretofore written into any law in the United States," which would by federal law "impose on an employer the duty of indefinite if not a lifetime support of employees for whom he no longer has a job." If it is a correct national policy to apply to railway employees, the Californian went on, "it must be a correct national policy to apply to all employment."

The division in railway labor's ranks first came to light on May 3 when George M. Harrison, president of the Brotherhood of Railway Clerks, issued a statement opposing recommittal and calling for enactment of the bill as a measure proposing "equality of treatment and regulation of the several modes of transportation," and asserting that "there is no danger to railroad employment in this proposed legislation." Mr. Harrison was a member of President Roosevelt's committee-of-six, and until recently he was chairman of the Railway Labor Executives' Association. His May 3 statement was followed on May 6 by another in which he joined with 12 other chief executives of labor organizations to produce the aforementioned support for the bill by leaders representing 850,000 railroad employees. This joint statement reads as follows:

The conference report Transportation Bill S. 2009 should be enacted into law at this session of the Congress. It proposes equality of treatment, regulation and preservation of the inherent advantages of each mode of transportation.

We are opposed to referring the Bill back to the conference committee. We urge enactment of the conference report at this session of Congress.

We speak for approximately 850,000 railroad, express and Pullman employees, more than 75% of all railroad employees. Their interest will be improved by the enactment of the conference report. Unregulated, subsidized water and motor carrier transportation is taking a heavy toll of railroad employment and railroad business. It is estimated that 180,000 railroad jobs have been lost because of present unfair, discriminatory transportation policies and lack of Federal regulation of these other modes of transportation.

The legislation proposed by the conference report does not in any manner change the law regarding consolidation of railroads.

Railroad employees already have the decision of the Supreme Court in the Rock Island consolidation case, and the Washington Job Protection Agreement of May, 1936, to protect railroad jobs in consolidations.

Railroad employment should be increased not reduced by enactment of this legislation.

Signers in addition to Mr. Harrison were: C. L. Darling, president, American Train Dispatchers' Association; H. W. Brown, president, International Association of Machinists; J. A. Franklin, International president, International Brotherhood of Boilermakers, Iron Ship Builders & Helpers of America; Roy Horn, general president, International Brotherhood of Blacksmiths, Drop Forgers and Helpers; L. M. Wicklein, vice president, Sheet Metal Workers' International Association; J. J. Duffy, vice president, International Brotherhood of Electrical Workers; F. H. Knight, general president, Brotherhood Railway Carmen of America; George Wright, vice president, International Brotherhood of Firemen & Oilers; F. H. Fljozdal, president, Brotherhood of Maintenance of Way Employees; A. E. Lyon, president, Brotherhood of Railroad Signalmen of America; M. S. Warfield, president, Order of Sleeping Car Conductors; B. M. Jewell, president, Railway Employees' Department, American Federation of Labor. Mr. Jewell was also a member of the committee-of-six, while the third labor member was President Robertson of the B. of L. F. & E.

Two Hours Debate

The original plan to call the conference report up in the House on May 3 was changed on May 1 when Majority Leader Rayburn, acting speaker, announced that the matter had been postponed until May 9, a date which would be "more convenient for all members of the House." Mr. Rayburn went on to say that the procedure would be to have Chairman Lea recognized for the purpose of calling up the conference report; and that there would be two hours of debate, one hour controlled by Mr. Lea and the other by Representative Wadsworth, Republican of New York, sponsor of the motion to recommit. Meanwhile notice that the Wadsworth motion to recommit would be made had been served earlier in the day by Representative Warren, Democrat of North Carolina. That motion as offered by Mr. Warren for the Congressional Record was an omnibus affair, combining instructions to re-insert the Miller-Wadsworth amendment, the Jones amendment and the modification of the Harrington "labor-protection" amendment. As thus set up the motion is calculated to bring together for the one vote the waterway, agricultural and railway labor groups.

Chairman Lea's fight against this maneuver got under way on May 3 when he inserted in the Congressional Record an extension of remarks from which the above-quoted references to the proposed substitute for the Harrington amendment were taken. In the course of this statement Mr. Lea set forth reasons for the conferees' belief that the conference report without the consolidation provisions would be satisfactory to all railway labor organizations. In that connection he made special reference to the what he saw as changes of front on the part of President Robertson of the B. of L. F. & E. and President Whitney of the B. of R. T. "Mr. Robertson," said Mr. Lea at the one point, "was a prominent member of the railway labor organizations who united with management in proposing the bill presented to the House;" . . . while "the provisions stricken from the bill . . . were eliminated with the suggestion and approval of Mr. Whitney."

Lea Interprets Whitney Telegram

In the latter connection Mr. Lea had previously included in his statement the text of a telegram which he received from Mr. Whitney on April 29. It said: "Please be advised that opposition Brotherhood Railroad Trainmen to Senate bill S. 2009 was based upon the consolidation section of the bill. Now that conferees have eliminated that section, the source of our opposition is eliminated. However, we shall continue our earnest effort to obtain legal protection for labor in consolidation and abandonment situations."

"It will be observed," Chairman Lea went on, "that the telegram confirmed the previous understanding of the conferees—that opposition was based upon the consolidation sections of the bill. The sentence of the telegram 'now the conferees have eliminated that section, the source of our opposition is eliminated,' confirmed our understanding of the situation. The last sentence of the telegram stating, 'We shall continue our earnest effort to obtain legal protection for labor in consolidation and abandonment situations' was construed in light of the fact that Mr. Harrington filed a separate bill to deal with that situation." The latter was a reference to H. R. 9563, the "labor-protection" bill introduced by Representative Harrington, Democrat of Iowa, when it became known that his amendment had been eliminated from S. 2009.

In further support of his argument against the contentions of the railway labor group calling for recommital, Mr. Lea cited the aforementioned May 3 statement of President Harrison of the Brotherhood of Railway Clerks. "No man in railroad labor," he said, "is of higher integrity, more substantial character, or better understands the problems of railway labor than Mr. Harrison."

Earlier in his statement, as he led up to his discussion of the "Big Five's" change of front, Mr. Lea had dealt in some detail with each of the three amendments proposed to be re-inserted. Also, he called attention to the careful consideration that the bill had received during the process of its evolution into the measure embodied in the conference report. "No important bill in recent years," he said, "has had more searching attention than that given this measure by the conferees of the House . . . The conferees, in joint session, went over every controversial phase of the bill and joined in signing the conference report. The legislation proposed is fair and just to all carriers. It is sound legislation. It does not propose any magic remedies, or provide for subsidies or guarantees. It seeks to stabilize transportation and to provide for impartial regulation of all modes of transportation subject to the act."

Speaking generally of the three amendments Mr. Lea characterized the Miller-Wadsworth and Jones amendments as attempts to "inject Congress into rate-making by arbitrary rules," which, if enacted into law, would be "burdensome to shippers and an unnecessary interference with our economic conditions that would be detrimental to business." He added that they are "unneeded because their legitimate purposes are properly provided for under existing law and the bill as agreed upon in conference."

Assails Jones and Wadsworth Amendments

Continuing to specific comments, Mr. Lea dealt first with the Jones amendment which would require the I. C. C. to prescribe export rates on agricultural products on the same relative basis that it permits the railroads to publish export rates on manufactured articles. This proposal, the Californian said, "would probably cause all reduced rates established to aid exports to be raised to the domestic level, with a consequent curtailment of the market for American products, which it is the design of the present transportation law to encourage." Cutting the opposition of the National Industrial Traffic League,

the Southern Traffic League and the North Carolina Traffic League, Mr. Lea identified the "basic error" of the Jones amendment in "its attempt to apply a common arbitrary rule to dissimilar situations." Moreover, he has been advised by the Interstate Commerce Commission that relatively export rates "apply as frequently to farm products as to industrial products."

As for the Miller-Wadsworth amendment, which stipulates that the commission must permit a carrier to reduce rates so long as the resultant charge covers all elements of cost including overhead, Mr. Lea predicted that its effect would be "to impose high rates to a degree that would prevent shippers and the public from getting the benefit of lower rates that might otherwise be charged." "How," he went on to ask, "can wheat moving from distant farms and selling from 75 cents to a dollar a bushel afford to pay freight up to the standard permitted by the Wadsworth amendment?" "After all the experience of this country and the rest of the world in rate regulation," he went on, "it should not be necessary to prove unsound the contention that all freight carried should pay its full share of the total cost and contribute something to profit. Classification of commodities on that basis would be next to impossible with rates on many classes prohibitive."

Coming to the proposed substitute for the Harrington amendment, Chairman Lea analyzed the proposal and proceeded to his aforementioned comment on it as a "novel provision." "The advisability and practicability of this proposal must be measured in the light of its implications," he went on. "Labor employment always involves the normal hazards of investment. In times of a great depression the investment hazard of the employer is great. If we add to the employer's hazard a liability of assuming support of all employees when he ceases to have use for them, regardless of the amount of salary paid or the length of service for the employer, we would create a new and very great deterrent to labor employment.

"If we believe this is a practical system to adopt we should vote for it and then go home and convert the farmers of the country, the businessmen of the country, and the average laboring man of the country that this is a correct American policy of government. If this is a practical plan of contributing to prosperity and progress then we have been missing an opportunity to aid Russia to take another step forward.

Welfare of Employee and Employer Linked Together

"In the long run, under the American system of government, the welfare of the employee and employer is linked together and cannot be disregarded. The one cannot succeed on the other's failure. As a long-time policy, labor's interest in employment is in securing a just reward for what it does rather than in a reward for what it does not do. In this generation we have learned to assume and respect many humane provisions to do justice and afford humane treatment to employees, but a policy so destructive to an employer as this proposal would in the end be a greater misfortune to labor than to the employers themselves. Nearly 50 per cent of the railroad's dollar goes to labor. A non-paying railroad, while it continues to operate, is a good asset to the employee. It is little or no asset to its owners so long as it pays nothing.

"A big purpose running through this transportation bill is as much for labor as for the employer. It proposes to unify regulation, stabilize the transportation industry, deal fairly with all types of carriers and shippers alike, and place the industry on a self-supporting basis. The end sought to be accomplished would not only alike serve employers and employees but the nation as well."

Next Mr. Lea cited the Supreme Court's recent decision in the Rock Island case to show that the I. C. C. now has power to condition its approval of consolidations on the inclusion of equitable provisions for employees affected. Then came his above-mentioned comment on the attitude of Messrs. Whitney and Robertson, and his tribute to President Harrison of the Clerks whose statement Mr. Lea incorporated as the conclusion of his own remarks. Mr. Harrison's statement also appeared on another page of the same issue of the Congressional Record, having been inserted by Conferee Bulwinkle, Democrat of North Carolina.

On the previous day, Senator Shipstead, Farmer-Laborite of Minnesota, extended his remarks to include a statement in opposition which had been submitted to the President by a delegation of representatives of agricultural organizations, including the National Grange, National Wool Growers' Association, American National Live Stock Association, and "Midwestern cooperative farm groups." Another "extension of remarks" entitled "Transportation Bill Should Be Defeated" was put into the appendix to the May 1 Record by Representative Alexander, Republican of Minnesota. In the May 2 issue Representative Van Zandt, Republican of Pennsylvania, addressed himself to the question: "Is the Wheeler-Lea Railroad Bill Being Sabotaged?"

Commenting on the action of the "Big Five," Mr. Van Zandt said that "great confusion prevails among the true friends of the railroaders in Congress"; because "every member of the House knows that all the brotherhoods with the exception of the Brotherhood of Railroad Trainmen, indicated over a period of months that they were favorable to S. 2009." Also, the position set forth by Mr. Whitney in his telegram to Chairman Lea led Mr. Van Zandt to believe that the brotherhoods had become "unanimous in their support of S. 2009." The Pennsylvanian went on to include in his statement the text of the "Washington agreement" which he thought had been regarded by labor as adequate protection in connection with the present law's consolidation provisions; also, he quoted from an article in a recent issue of "Labor" which to him "clearly" revealed railway labor's support of the conference report.

"As one of the two practical railroad men in this Congress," Mr. Van Zandt concluded, "I am determined to keep faith with the rank and file of the vast army of railroaders and their families, who, if this bill is defeated, will have a right to demand an explanation of these rumors of so-called collusion and high-handed tactics of those opposed to this legislation."

* * *

Photo by C. Parker

A "Double-Ender" and Train in Local Service on the Boston & Albany at Newton Centre, Mass.

Railroads Spend Too Little for Advertising

Ways and means of stimulating travel considered at interim meeting of passenger traffic officers

RAILROADS spend too little for advertising their assets, according to C. J. Farran of the Griswold-Eshleman Company, Cleveland, Ohio, in an address before the interim meeting of the American Association of Passenger Traffic Officers at Chicago on April 30. "In fact," he continued, "I do not know of a major industry that spends a smaller percentage of its gross on advertising. The last available figures from Interstate Commerce reports show that the heaviest railroad advertiser invested ¾ of one per cent in this form of selling. Less than half of the major railroads spend ¼ of one per cent! If you charge the entire advertising appropriation against the passenger department, the highest expenditure would be about 3 or 4 per cent and the average perhaps 1 per cent.

"For the larger bus lines the ratio varies between 2½ per cent and 4 per cent; some even go as high as 5 per cent. The figures would probably average between 3 and 3½ per cent for all inter-city companies operating over 75 buses. The three principal airlines spent in 1938 2.2 per cent, 2.7 per cent and 4.8 per cent respectively on advertising. The average expenditure of industrial companies, that is, those manufacturing capital goods rather than consumer goods, is 2.2 per cent.

Some Spend As Much As All Railroads

"The manufacturer selling the man on the street will spend anywhere from 2 to 10 per cent. There are many companies, including General Motors, General Foods, and Proctor & Gamble, who *each* spend far more for advertising than all the railroads of America combined. They just haven't found a cheaper way to sell their wares. The conclusion would be either that the railroads are not spending enough money for advertising or that they are able to get all the business that is available at a lower advertising cost than other lines of business.

"Any time you spend your money on good advertising you will get it back. Perhaps not immediately. You can't plant corn today and have roasting ears for Sunday's dinner. There is bound to be a period between the planting season and the harvest.

"If there were only some miracle possible whereby we could give every individual in this country a 100-mile train ride, I think your passenger revenues would soon skyrocket. There are so many persons who have never experienced the comfort, the luxury, and the safety of present-day travel that this sample ride would sell once and for all. Since that is impossible, the next best thing seems to be special excursions, exhibitions of equipment, and other inducements."

Rail and Air Lines Interdependent

Railroads and air lines are interdependent rather than entirely competitive and each has its place in the national scheme of transportation, Harold Crary, vice-president in charge of traffic of the United Air Lines, said in an address on Passenger Relations in the Air Line Industry. He advocated a co-ordinated service and interline tickets, so arranged that travelers could use both rail and air service or rail one way and air returning. "While the airlines," he continued, "have taken much passenger traffic from the railroads, the net results show a decided benefit when the rail freight charges paid by the air industry are included. The air craft industry is now the seventeenth largest and almost all of its equipment and supplies move by rail. Last year one plant paid $1,800,000 for freight transportation, another $1,600,000, and a third $1,250,000."

The rapid growth of air transportation, he said, is due to several reasons, not the least of which is the adoption of the proven practices followed by the railroads. Fundamentally, the industry has developed because of its psychological advantages. Air transport appeals to the age-old urge of man to fly. At the same time, the tempo of living in the United States, exemplified by speed, finds its counterpart in air transportation. Besides these advantages is the romance of flying which not only attracts the public but which, coupled with the possibilities of a growing industry, attracts above-average employees.

Although these natural advantages exist, he continued, the air lines do not overlook the idiosyncrasies of human nature or the essentials of good service. In the beginning they realized that although almost everyone wants to fly, fear keeps people on the ground. One survey showed that 75 persons out of 100 do not use air transportation because of fear. To overcome fear the air lines have employed extensive advertising and have trained all employees in the art of counteracting it through well-designed salesmanship.

As a result of the determination of the air lines to perfect their service, he said, the cruising range of planes has been increased from 90 m. p. h. in 1930 to 180 m. p. h. in 1940 and to an expected 220 m. p. h. in 1941; the rate charged has been reduced from 12 cents a mile in 1929 to 5.1 cents a mile at present; a safety record which is the envy of foreign air lines, has been achieved; sleeper planes have been introduced; and three-stop coast to coast and frequent inter-city services have been established.

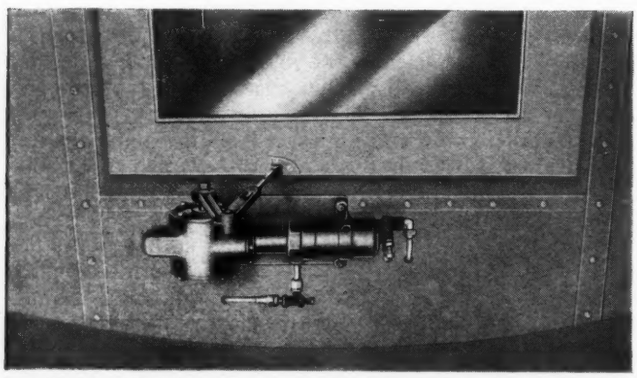
Other Subjects Considered

Among other subjects considered was The Merchandising of Travel and Its Correlation with Public Relations, by Col. Robert S. Henry, assistant to the president of the Association of American Railroads, and Market and Prospects for Rail-Water Traffic in 1940, by E. J. Goebel, passenger traffic manager of the Chicago, Duluth & Georgian Bay Transit Company. The Promotion and Effect of Special Excursions, the Charge by Red Caps for Handling Hand Baggage and the Better Merchandising of Dining Car Service were discussed generally.

End-Door Operator For Passenger Cars

A COMBINED door opener, door closer and door check for passenger cars, which is air operated and electrically controlled, has been developed and placed on the market by the National Pneumatic Company, Rahway, N. J. It is designed to eliminate the annoyance to passengers and the effort required of them in the manual operation of end doors, and to make it easy for them to enter any car or to pass through a train on their way to the dining or observation cars.

The door operator is mounted over the doorway and is connected to the door as shown in the illustration. The door-operator pistons are moved in one direction or the other by air pressure, thus opening or closing the door. Air pressure also cushions the movement of the pistons near the end of each stroke, which effectively prevents the slamming of the door. The action of the door operator is controlled by a switch, which may be actuated by either turning a door knob, pulling a door handle, or pushing on a marked plate. When the switch is closed by any method, a circuit is completed to a magnet valve which then exhausts the air from the large end of the door operator, causing the door to open. When the door reaches its fully open position, the magnet valve is automatically de-energized, air pressure is increased at the large end of the door operator, and the door closes.



Installation of National Pneumatic Company's Semi-Automatic End-Door Operator—It Can Be Concealed by a Metal Cover, if Desired

The short time required for the door to open completely and then close is sufficient to permit anyone to pass through the doorway without interfering with the door. However, if the door is obstructed, it can easily be held open, or pushed further open, and when released it will close at its normal speed without slamming. The speed of the door operator is adjustable in both the opening and closing direction. It operates on standard railroad air pressures and voltages.

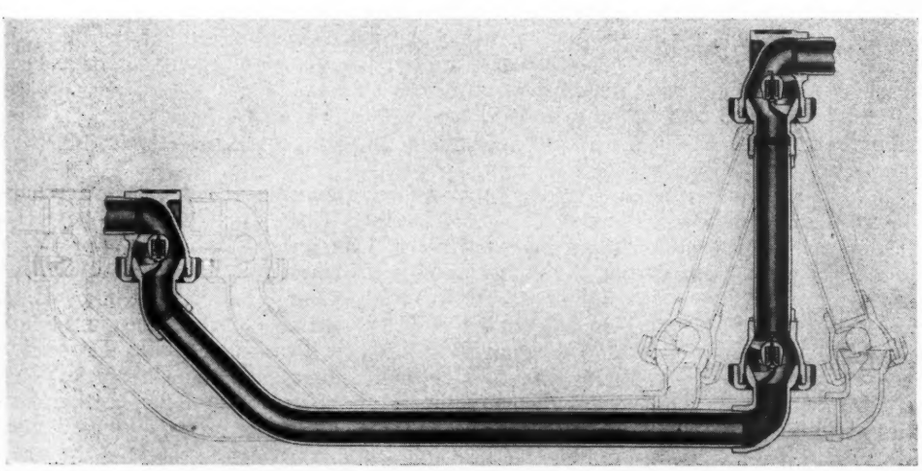
Barco Joints Improved

AN improved design of metallic connection for air, oil, water and steam lines between locomotives and tenders has been announced recently by the Barco Manufacturing Company, Chicago. The new connections, known as the Type-3VX, include Type-X streamline joints, are interchangeable with the standard Barco 3V connections. If desired, therefore, the standard Barco connections now used on most of the railroads throughout the United States and Canada may be removed and the new 3VX connections applied without any alterations in the piping on the locomotive or tender and without any alteration in the brackets supporting these connections.

Some of the advantages of the new type connections for use between locomotive and tender are as follows: Only one gasket per joint is used, thereby cutting the gasket consumption by 50 per cent; the contour of the gasket has been changed somewhat to reduce the friction between the ball and the gasket and still further increase the life of the gasket as well as the life of the ball; all of the balls or metal wearing parts are hardened alloy steel forgings; heavy square threads are used to attach the nut to the casing instead of the old style V-threads, thus giving longer life to the threads.

The Barco 3VX joints provide 33⅓ per cent more movement with the same length of piping between the joints. No manual adjustment is required, and there is no possibility of tightening the nut so much as to cause binding of the ball between the two gaskets. The connections are hung vertically giving a free pendulum action. The stainless steel springs, which are carried in a streamlined cavity in the casing, keep the spring seat on the exact center of the ball, so that the spring pressure keeping the ball and gasket in contact does not vary and is the same in all positions as the balls flex.

These joints and connections are said to have been tested on air and steam lines since August, 1937, with satisfactory results and are now being applied between locomotive and tender to the 10 new locomotives being built by the Chicago, Burlington & Quincy at West Burlington, Ia., and between engine and tender and the articulated unit of the 20 Mallet locomotives being built by the American Locomotive Company for the Delaware & Hudson.



New Barco Type-3VX Locomotive-Tender Connection with Improved Streamline Joints Giving One-Third Greater Flexibility

NEWS

The Bridge Bill Is in the Mill

Measure approved by House and recommended for passage by Senate committee

The House of Representatives on May 6 passed H. R. 9381, the so-called bridge bill introduced by Representative Hobbs, Democrat of Alabama, to provide relief for railroads with respect to the cost of rebuilding bridges required to be altered in connection with waterway projects. Following through promptly on the next day the Senate committee on interstate commerce voted to report the House approved bill favorably to the Senate.

The brief discussion of the bill in the House included the reading by Mr. Hobbs of a letter sent to Chairman Chapman of the bridge sub-committee by Senator Truman, Democrat of Missouri, sponsor of a similar measure pending in the Senate and co-sponsor with Mr. Hobbs of the Truman-Hobbs bridge bill passed last year and vetoed by the President. Senator Truman told of an interview with the President which left the Senator with the impression that a bridge bill with changes embodied in the pending version would be acceptable to Mr. Roosevelt. Answering a question from the floor as to why the bridge provisions were eliminated from S. 2009, the omnibus transportation bill, Mr. Hobbs said that the conferees preferred to have the matter handled separately. Discussing the bill further Mr. Hobbs said:

"There is no objection from any source whatsoever. It comes in here with a unanimous report of the great Interstate Commerce Committee. It has the unanimous support of all 21 of the railroad brotherhoods and of every railroad in the country. It also is recommended in the unanimous report of the President's Committee-of-Six appointed to study the whole field of railway problems.

"The philosophy of this bill is taken from the decision of the Supreme Court of the United States in the case of *N. C. & St. L. R. R. Co. v. Walters* (294 U. S. 405), relating to the analogous problem arising there as to the elimination of grade crossings of railways by highways. The same reasoning applies with equal force to the equities arising when the Army engineers order the remodeling of a railway bridge crossing a navigable stream because of the needs of navigation.

"The bill does not seek to diminish the authority of the Army engineers by one iota. It leaves the determination of the equities entirely in their hands. It simply requires them to ascertain the equities and after charging the affected railroad with all the benefits, past, present, and future, accruing to it, if in equity and good conscience they determine that there is a balance which should be paid by the government for the benefit of navigation, they should so adjudge. In the event of such adjudication it is provided that the government should make such contribution as may have been held to be equitable in the particular case."

The bill came before the House by being reached during the call of the consent calendar; and it was adopted unanimously without a record vote.

Fair Show to Open May 25

The eastern railroads' operapageant "New Railroads on Parade" will open at the New York World's Fair on May 25. The Fair itself will open on May 11, together with the railroad track and historical exhibits. The railroad show this year will have a theme similar to the 1939 program but its presentation music and scenario will be new.

S. P. of M. Seeks Relief from Labor Contracts

The Southern Pacific of Mexico has asked the Department of Communications and Public Works of Mexico for modifications of labor contracts and increases in freight rates to insure the continuance of operations. It also suggests that if this relief cannot be granted that the Mexican government purchase the railway and turn it over to the railway workers. A committee of three representing the railroad, the Department of Communications and the Union of Railway Workers is studying the proposal and will make recommendations to the Mexican government.

Senate Committee Approves Davidson Nomination

The Senate committee on interstate commerce on May 7 voted to report favorably President Roosevelt's nomination of Edward H. Davidson to be assistant chief inspector of locomotive boilers in the Interstate Commerce Commission's Bureau of Locomotive Inspection. As noted in the *Railway Age* of April 20, page 719, the President submitted Mr. Davidson's name to the Senate on April 11. Since that time the title of the position to which he is appointed has been changed by a recently-enacted bill to assistant director of the Bureau of Locomotive Inspection.

RRs Will Come Back with U. S.

Jeffers, Sloan and Dunn see good prospects for carriers if business recovers

Optimism concerning the future of the railroads in spite of their present handicaps was the keynote of addresses by William M. Jeffers, president of the Union Pacific, M. S. Sloan, president of the M-K-T, and Samuel O. Dunn, chairman of the Simmons-Boardman Publishing Corporation and editor of *Railway Age*, before the National Association of Mutual Savings Banks at an economic conference in Boston, Mass., on May 8. Representatives of industry, education and utilities spoke at subsequent sessions of the three-day conference.

The prepared address of Mr. Jeffers, whose illness prevented his appearance as scheduled, was read by I. W. Roberts, vice-president, Philadelphia Saving Fund Society. The core of his message was that there has always been "a railroad problem;" that there are always changes and that railroading needs only a new mode of approach to thrive. Mr. Jeffers made detailed references to employee relations on his road and described the recent "booster"-inspired program to canvass shippers' wants and renovate the merchandise service to meet them, which he summarized as "a broad-gaged analysis of the public's wants with a consequent innovation that worked."

Discussing current problems of general business he said: "Taxes have almost reached the stratosphere. New laws and regulations have been so multiplied that business is almost punch drunk and has substituted for its wonted attitude of confident offense, an attitude of weak defense against more punishment . . . We are so stressing reform that we are losing sight of the importance of recovery. Let's recover first and we will have more strength to take on reform. In the case of labor it is vastly more important today that there be jobs than that hours be shortened or pay increased. Shorter hours and higher pay in industry have very little interest to the man on a W. P. A. job or on relief."

Speaking more particularly of railroad difficulties Mr. Jeffers not only hit out briefly at subsidized competition by non-railroad carriers—about which "volumes have been written"—but also assailed the pouring of money obtained from the government "into weak roads and minor lines for the futile purpose of making them

(*Continued on page 833*)

C. of C. Approves Superhighways

Swallows "inter-regional" scheme, soaking taxpayers for roads allegedly "military"

The Chamber of Commerce of the United States, at its 28th annual meeting in Washington, D. C., from April 29 to May 2, adopted certain resolutions on the subject of transportation, most of which were given in the *Railway Age* for April 6, page 646. At the meeting James S. Kemper of Chicago, president of the Lumbermen's Mutual Casualty Company, was elected president for the coming year, while Fitzgerald Hall, president of the Nashville, Chattanooga & St. Louis, and G. D. Brooke, president of the Chesapeake & Ohio, were elected to the board of directors for two-year terms.

The following resolutions affecting transportation were adopted by the Chamber:

Transportation: The Transportation Act of 1940 has reached the stage of final action in Congress. This measure represents another step in the accomplishment of a constructive program of transportation legislation. It declares the national transportation policy of Congress is to provide fair and impartial regulation of all modes of transportation by rail, highway, and water, to recognize and preserve the inherent advantages of each, to promote adequate and efficient services, and to encourage establishment of reasonable charges for transportation services without unjust discriminations,—all to the end of developing and preserving a national system of transportation by water, highway, and rail adequate to meet the needs of the commerce of the country, the postal service and the national defense.

There is recognition in the bill of the importance of problems yet to be solved. This recognition appears in the provision by the bill for appointment of a special board of investigation and research to examine ways in which transportation conditions may be improved and the national transportation policy declared by Congress may be further effectuated.

Highway Policies: The joint highway and traffic surveys recently in process in nearly all of the states should be continued, in order that highway authorities may at all times be provided with current information needed for efficient highway planning, both in developing a rational and balanced program for each state and in working out regional relationships. The data obtained from surveys should have full and constant use in all states for determining priority and character of improvement, in order that the interest of highway users may be equitably served.

State highway departments should have authority to acquire lands necessary for proper highway construction. Revenues for highway purposes should be expended where they will give the best return in service to highway users and to taxpayers. Where necessary to accomplish this end state highway departments should have supervision over expenditures of state-raised revenues, whether in state or local systems.

There should be included in the future program a system of free interregional highways of proper standards, with appropriate allocation to them from available funds, and adequate express highways through the heart of cities, with by-pass routes where needed to relieve traffic congestions.

The cost of highway facilities provided especially for military purposes, but also serving general traffic, should be apportioned between the federal government and state or local governments in proportion to benefits.

Aviation: No federal funds should be expended on commercial airports except under plans approved by the commission. Federal aviation funds should be used only for air-navigation and traffic-control facilities or other work which meets the test of special national interest in specific cases and on conditions that local interests provide approved landing areas and necessary buildings, and observe proper standards of airport maintenance, zoning and charges. To avoid local expenditures before they are warranted, the commission should make it clear that existence of adequate airport facilities is not a prerequisite to authorization of air-line service. When such service is justified by other factors, the local provision of such facilities can follow the authorization.

The Chamber referred to its board of directors the subject of itinerant merchant truckers with a declaration that states and municipalities where the operations of such truckers are harmful to the public interest should provide regulation through a system of licensing, bonding and proof of financial responsibility.

Would Exempt State-Owned Lines from Pension Act

Representative Byrne, Democrat of New York, has introduced H. R. 9636 "to exempt certain State owned and operated carriers and employees of carriers from the provisions of the Railroad Retirement Act of 1937."

Mexican Rail Lines Opened to Traffic

The Fuentes Brotantes to Punta Penasco Railway of Mexico, 165 miles, was opened to traffic on May 5. Rolling stock has been leased from the Inter-California Railway. On April 21, the Southeastern Railway was opened to traffic from Campecha, Merida to Rio Candelaria, 144 miles.

Chicago to Have Three Florida Streamliners

Three Diesel-electric streamlined trains will be placed in operation next fall between Chicago and Florida by the Pennsylvania, the Illinois Central and the Chicago & Eastern Illinois. Departure from Chicago will be staggered so as to provide daily service.

Northern Pacific Opens Passenger Office in Washington

The Northern Pacific on May 1 opened a new passenger-traffic office in Washington, D. C., with Neil Baird, general agent, in charge. Located in the Shoreham building, 15th and H streets, N. W., the new office will serve the Capital-City area, formerly embraced in the territory of the Philadelphia, Pa., office.

Western and Southeastern Roads Kept in Auto-Rate Case

The Interstate Commerce Commission has denied the petition of Western and Southeastern railroads asking that, "unless certain matters are made part of the record," they be dismissed as parties to the No. 28190 investigation of rates on new automobiles. This petition was noted in the *Railway Age* of March 23, page 560.

Arthur F. White Dies

Arthur F. White, assistant director of the Interstate Commerce Commission's Bureau of Statistics, died on May 1 in Washington, D. C., after a short illness. He was 45 years old.

Mr. White, who had been a statistician for the Southern Pacific at San Francisco, Calif., came to Washington in 1933 to join the staff of the federal co-ordinator of transportation. When I. C. C. Chairman Eastman's service in that connection terminated, Mr. White became associated with the Bureau of Statistics where he has been in charge of planning and carrying out the commission's expanding program of transportation cost-finding work.

Seek to Cut Red Tape, Speed L. c. l.

Want fourth section relief to give all shipments benefit of lowest rate

Seeking the elimination of restrictions which have interfered with their efforts to maintain "improved, regular and dependable" l.c.l. service, railroads serving Southern and Official territories have applied to the Interstate Commerce Commission for blanket relief from the fourth section's long-and-short-haul clause "to permit the maintenance via all available routes between all points within Southern territory, also between all points in Southern territory, on the one hand, and all points in Official (including Illinois) territory, on the other, the lowest rates (class or commodity) applicable over any line or route between the same points on less-carload traffic and on any-quantity traffic." The application asserts that the railroads "should be free to provide a service that does not require shippers of less-carload merchandise to specify the routing of their shipments;" because "restricted routing not infrequently interferes with service of less-carload freight, adding both to the time and expense of handling."

Other language in the petition indicates that it would be the railroad plan to have l.c.l. shippers merely consign their shipments in care of regularly-scheduled package cars, which cars would then be moved over the most economical or expeditious route. In the latter connection the petition says: "Operation is essentially a managerial function and prerogative. Train and scheduled merchandise service is maintained on the basis best suited to providing an adequate and flexible service to the public consistent with the available tonnage. The preponderance of less-carload traffic moves over established service routes, which are well within the circuity limitations of fourth-section orders. Restrictive limitations of fourth-section orders that require the movement of a fractional part of the less-carload traffic via a different route than that over which the preponderance of that traffic moves, results in wasteful transportation. It is neither economical nor sound from an operating standpoint to segregate fourth-section less-carload traffic from other traffic, thereby requiring movement via different routes . . . In other words, it is the desire of the rail carriers to provide a tariff from which a shipper may determine the rate between two points and know it is the rate that will be applied without reference to any other tariff provision."

Previously the application had set forth how the l.c.l. business, only two per cent of the tonnage, represents eight per cent of the gross revenue; and how the "present business trend is toward smaller and more frequent shipments of manufactured articles." The latter, the petitioners continue, "requires expedited less-carload transportation service, not only between large cities, but to the smaller towns and rural districts as well." They add that

"the carriers are now endeavoring to provide the service required by the shipping public and the granting of the relief herein sought will enable them to continue to do so." Later on there is an expression of the petitioners' thought that the commission will "readily appreciate the fact that the rail lines merely seek relief sufficient to permit free movement of less-carload traffic such as will also afford such carriers an opportunity of effectively meeting competitive conditions." Meanwhile it is pointed out that in acting favorably on the application the commission would in no sense waive its jurisdiction under sections 1, 2, 3 and 15. Stated otherwise the relief "would merely permit the rail carriers to determine in the first instance what is or is not good and efficient service and whether or not the compensation received for such service is profitable."

"The rail carriers today are hard pressed to maintain not only service but their very existence as well," the application says in closing. "The commission, therefore, should go as far as it can under the authority vested in it by the act to permit the rail carriers to handle traffic effectively via their service routes. It should not impose restrictions on them which retard service, inconvenience the shipping public and frequently result in increased costs and wasteful transportation . . . This is a special case within the meaning of the statute and the commission has the power to grant the relief sought. The commission so found in *Rates from, to, and between Points in Southern Territory, 191 I. C. C. 507.*"

In view of the fact that all of the rates involved are those heretofore prescribed or approved by the commission, the applicants requested that the application "be disposed of without further formal hearing but that a proposed report be issued thereon and oral argument granted." The application is signed by Tariff Publishing Agents B. T. Jones, Chicago; R. A. Sperry, Chicago; I. N. Doe, Boston, Mass.; J. G. Kerr, Atlanta, Ga.; and W. S. Curlett, New York.

Southern Pacific Gets Truck Line

Subject to the usually-imposed conditions designed to insure that the highway service shall be auxiliary to the rail service of the Southern Pacific, the Interstate Commerce Commission, Division 4, has authorized the Pacific Motor Trucking Company to acquire control of Pacific Truck Express of Portland, Ore., by purchase of capital stock. The case was docketed as No. MC-F-763.

The Canadian Roads' First Quarter

In March the Canadian Pacific had gross revenues of $11,477,555 (up 10 per cent over last year); its operating expenses were $9,975,994 (up 3 per cent); and its operating net was $1,501,561 (up 94 per cent). For the first quarter of the year C. P. R. gross was $35,637,519 (+ 21 per cent), expenses $30,335,030 (+ 9 per cent) and operating net $5,302,488 + 261 per cent).

The Canadian National in March had $18,049,624 of operating revenue (an increase over last year of 23 per cent). Expenses at $16,046,647 were 7 per cent over last year's and operating net was $2,002,977 (compared with a deficit of $394,399 last year). For the quarter C. N. R. revenues were $53,374,115 (a rise of 30 per cent), expenses, $47,936,154 (up 10 per cent) and operating net, $5,437,961 (compared to a $2,289,938 deficit last year).

Spring Meeting of Traffic Clubs To Be Held at Tulsa

The spring meeting of the Associated Traffic Clubs of America will be held at Tulsa, Okla., on May 13-15. The first day will be devoted to registration, recreation and entertainment with a barbecue luncheon at the Woolaroc Lodge on the F. P. Ranch near Bartlesville. The first business session will be called on May 14. Speakers include Joseph R. Warner, who will discuss, "Railroad Reorganizations," and Clarence A. Miller, vice-president and general counsel of the American Short Line Railroad Association, whose subject will be, "Interstate Commerce Commission Procedure under the Transportation Act of 1940." A dinner will be held on the same day with Dr. C. I. Pontius, chairman of the board of trustees and president of the University of Tulsa, as the principal speaker. His subject will be, "The March of American Education." Other business will be transacted on the third day.

I. C. C. Income and Balance Sheet Compilation for February

The Interstate Commerce Commission on May 7 made public its latest compilation of selected income and balance sheet items, showing the February's net deficit of the Class I roads at $10,761,223 and that for this year's first two months at $7,648,-901, as previously announced by the Asso-

SELECTED INCOME AND BALANCE-SHEET ITEMS OF CLASS I STEAM RAILWAYS

Compiled from 132 Reports (Form IBS) Representing 137 Steam Railways

(Switching and Terminal Companies Not Included)

TOTALS FOR THE UNITED STATES (ALL REGIONS)

For the month of February			For the two months of	
1940	1939	*Income Items*	1940	1939
$32,617,739	$18,637,700	1. Net railway operating income	$78,373,415	$51,584,872
9,764,000	9,959,551	2. Other income	21,092,971	22,377,151
42,381,739	28,597,251	3. Total income	99,466,386	73,962,023
2,288,544	1,984,042	4. Miscellaneous deductions from income	4,663,732	4,137,455
40,093,195	26,613,209	5. Income available for fixed charges	94,802,654	69,824,568
		6. Fixed charges:		
10,515,640	10,057,371	6-01. Rent for leased roads and equipment	21,561,530	20,774,244
38,241,769	38,524,933	6-02. Interest deductions†	76,695,566	77,345,491
131,231	180,480	6-03. Other deductions	262,903	361,645
48,888,640	48,762,784	6-04. Total fixed charges	98,519,999	98,481,380
*8,795,445	*22,149,575	7. Income after fixed charges	*3,717,345	*28,656,812
1,965,778	1,961,168	8. Contingent charges	3,931,556	3,922,333
*10,761,223	*24,110,743	9. Net income‡	*7,648,901	*32,579,145
16,824,870	16,724,006	10. Depreciation (Way and structures and Equipment)	33,693,696	33,528,313
2,483,241	1,601,409	11. Federal income taxes	5,753,232	3,729,814
		12. Dividend appropriations:		
11,656,678	11,922,481	12-01. On common stock	13,395,159	14,558,937
2,631,224	2,631,147	12-02. On preferred stock	4,425,635	3,586,919

Selected Asset Items	Balance at end of February 1940	1939
13. Investments in stocks, bonds, etc., other than those of affiliated companies (Total, Account 707)	$623,457,945	$647,539,874
14. Cash	525,714,913	445,893,982
15. Demand loans and deposits	18,990,174	15,311,338
16. Time drafts and deposits	26,870,165	19,811,874
17. Special deposits	98,743,353	53,476,744
18. Loans and bills receivable	2,392,163	1,280,586
19. Traffic and car-service balances receivable	64,535,206	56,632,034
20. Net balance receivable from agents and conductors	45,016,058	46,654,440
21. Miscellaneous accounts receivable	122,757,281	117,728,966
22. Materials and supplies	356,971,737	323,582,672
23. Interest and dividends receivable	17,062,788	18,877,852
24. Rents receivable	1,053,916	1,194,268
25. Other current assets	4,574,292	3,316,380
26. Total current assets (items 14 to 25)	$1,284,682,046	$1,103,761,136

Selected Liability Items	Balance at end of February 1940	1939¶
27. Funded debt maturing within 6 months§	$193,486,362	$266,114,633
28. Loans and bills payable⌀	198,037,990	211,211,794
29. Traffic and car-service balances payable	79,673,284	73,345,358
30. Audited accounts and wages payable	245,136,971	225,428,497
31. Miscellaneous accounts payable	61,618,942	66,336,283
32. Interest matured unpaid	23,214,144	26,446,590
33. Dividends matured unpaid	1,574,323	1,545,158
34. Unmatured dividends declared	15,410,246	13,703,590
35. Unmatured interest accrued	86,795,012	88,610,912
36. Unmatured rents accrued	24,069,482	25,076,189
37. Other current liabilities	29,652,329	28,530,186
38. Total current liabilities (items 28 to 37)	$765,182,723	$760,234,557
39. Tax liability (Account 771):		
39-01. U. S. Government taxes	$71,232,011	$51,914,567
39-02. Other than U. S. Government taxes	132,304,952	139,707,913

† Represents accruals, including the amount in default.

‡ For 99 railways not in receivership or trusteeship the net income or deficit was as follows: February 1940, $427,435; February 1939, *$9,628,091; 2 months 1940, $11,321,982; 2 months 1939, *$7,781,079.

§ Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report.

⌀ Includes obligations which mature not more than 2 years after date of issue.

¶ 1939 figures for certain liability items have been revised, for comparative purposes, to conform with changes prescribed in the Uniform System of Accounts by Commission's order of December 6, 1939, effective January 1, 1940.

* Deficit or other reverse items.

NET INCOME OF LARGE STEAM RAILWAYS

(Switching and Terminal Companies Not Included)

Name of Railway	Net income after deprec. For the two months of 1940	Net income after deprec. For the two months of 1939	Net income before deprec. For the two months of 1940	Net income before deprec. For the two months of 1939
Alton R. R.	* $339,012	* $355,878	* $296,059	* $313,110
Atchison, Topeka & Santa Fe Ry. Systemø	* 1,014,308	* 2,066,737	946,841	* 102,384
Atlantic Coast Line R. R.	681,938	441,030	1,020,791	795,759
Baltimore & Ohio R. R.	* 1,500,355	* 1,784,333	* 305,613	* 583,942
Boston & Maine R. R.	* 160,098	* 231,530	80,752	26,989
Central of Georgia Ry.†	* 547,529	* 509,978	* 406,019	* 367,921
Central R. R. of New Jersey‡	* 430,405	* 823,443	* 196,621	* 590,752
Chesapeake & Ohio Ry.	5,222,881	2,918,649	6,627,526	4,297,955
Chicago & Eastern Illinois Ry.‡	* 218,515	* 310,901	* 117,799	* 212,137
Chicago & North Western Ry.‡	* 2,899,946	* 3,500,169	* 2,072,955	* 2,671,004
Chicago, Burlington & Quincy R. R.	* 57,253	* 370,788	807,232	493,124
Chicago Great Western R. R. ‡	* 232,970	* 287,144	* 140,192	* 197,860
Chicago, Milwaukee, St. Paul & Pacific R. R.‡	* 1,814,158	* 3,388,270	* 837,838	* 2,422,545
Chicago, Rock Island & Pacific Ry.‡	* 1,789,456	* 2,237,500	* 1,108,602	* 1,548,095
Chicago, St. Paul, Minneapolis & Omaha Ry.	* 529,045	* 691,711	* 434,352	* 594,865
Delaware & Hudson R. R.	169,024	176,123	343,530	346,056
Delaware, Lackawanna & Western R. R.	* 115,919	* 471,023	284,280	* 63,727
Denver & Rio Grande Western R. R.‡	* 822,969	* 877,718	* 615,437	* 675,606
Elgin, Joliet & Eastern Ry.	506,498	377,243	662,509	541,034
Erie R. R. (including Chicago & Erie R. R.)§	* 589,038	* 1,218,530	11,215	* 605,525
Grand Trunk Western R. R.	* 114,942	* 474,058	84,518	* 281,190
Great Northern Ry.	* 2,229,904	* 2,966,487	* 1,617,748	* 2,349,867
Illinois Central R. R.	93,494	* 440,411	1,148,212	668,348
Lehigh Valley R. R.	* 235,613	* 108,923	115,323	247,190
Long Island R. R.	* 689,694	* 623,443	* 495,114	* 427,438
Louisville & Nashville R. R.	1,131,298	810,640	1,848,270	1,532,616
Minneapolis, St. Paul & Sault Ste. Marie Ry.‡	* 1,192,686	* 1,539,320	* 988,190	* 1,334,317
Missouri-Kansas-Texas Lines	* 652,152	* 844,767	* 450,997	* 622,060
Missouri Pacific R. R.‡	* 1,883,689	* 2,589,478	* 1,136,786	* 1,863,697
New York Central R. R.¶	181,442	* 3,115,203	2,824,315	* 483,323
New York, Chicago & St. Louis R. R.	337,090	* 22,399	601,853	241,370
New York, New Haven & Hartford R. R.‡	* 936,637	* 946,897	* 387,141	* 380,597
Norfolk & Western Ry.	5,423,337	3,790,242	6,442,657	4,619,409
Northern Pacific Ry.	* 1,580,076	* 2,203,587	* 1,023,047	* 1,638,708
Pennsylvania R. R.	2,618,316	1,259,462	6,924,207	5,476,849
Pere Marquette Ry.	419,750	* 49,610	802,510	346,301
Pittsburgh & Lake Erie R. R.	549,883	287,286	914,561	661,126
Reading Co.	713,756	473,068	1,232,655	992,064
St. Louis-San Francisco Ry.‡	* 1,884,281	* 2,232,911	* 1,377,168	* 1,720,750
St. Louis, San Francisco & Texas Ry.	* 86,545	* 69,696	* 86,406	* 69,557
St. Louis Southwestern Lines‡	* 24,795	* 443,610	80,172	* 340,356
Seaboard Air Line Ry.†	* 557,057	* 851,158	* 175,750	* 495,957
Southern Ry.	23,761	* 445,498	611,867	117,607
Southern Pacific Transportation System‖	* 2,267,052	* 3,257,012	* 939,094	* 1,934,202
Texas & Pacific Ry.	126,691	69,402	328,478	269,374
Union Pacific R. R. (including leased lines)	1,070,373	492,416	2,333,496	1,753,482
Wabash Ry.†	* 658,548	* 1,066,166	* 299,747	* 708,926
Yazoo & Mississippi Valley R. R.	* 14,440	* 227,784	61,022	* 150,386

† Report of receiver or receivers.
‡ Report of trustee or trustees.
§ Under trusteeship, Erie R. R. only.
ø Includes Atchison, Topeka & Santa Fe Ry., Gulf, Colorado & Santa Fe Ry., and Panhandle & Santa Fe Ry.
¶ Includes Boston & Albany, lessor to New York Central R. R.
‖ Includes Southern Pacific Company, Texas & New Orleans R. R., and leased lines. The report contains the following information: "Figures reported above for Southern Pacific Transportation System exclude offsetting debits and credits for rent for leased roads and equipment, and bond interest, between companies included therein. Operations for 1940 of separately operated Solely Controlled Affiliated Companies (not included in above statement), resulted in a net deficit of $349,241 for the month and $954,716 for the period. These results include $211,172 for the month and $422,344 for the period, representing interest on bonds of such companies owned by Southern Pacific Company not taken into income by S. P. Co. and, therefore, not included in the 1940 income results for the System reported above. The combined results for 1940 for Southern Pacific Transportation System and separately operated Solely Controlled Affiliated Companies amounted to a net deficit of $1,475,239 for the month and $2,799,424 for the period."
* Deficit.

ciation of American Railroads and noted in the *Railway Age* of April 27. The foregoing compare respectively with a net deficit of $24,110,743 for February, 1939, and a red figure of $32,579,145 for last year's first two months.

Fifty-eight class I roads reported net incomes for February, while 71 reported net deficits; in February, 1939, there were 46 net incomes and 83 deficits. For this year's first two months there were 61 net incomes and 68 net deficits, as compared respectively with 52 net incomes and 77 deficits in the first two months of last year. The consolidated statement and that showing the net incomes or net deficits of roads having operating revenues above $25,000,000 are set forth in the accompanying tables.

Investigation of Pullman, Inc. is Begun

It has been learned at the Department of Justice that the anti-trust division has begun an investigation of Pullman, Incorporated. Inquiry at the department reveals that the investigation, which, contrary to certain published reports, was begun several weeks before the recent derailment at Little Falls, N. Y., is concerned with the relationship of Pullman, Incorporated, to its subsidiary companies and the question of whether or not the operating company (the Pullman Company) has been restricted to the types of equipment developed and manufactured by Pullman-Standard Car Manufacturing Company.

Railway Employment Down 0.36 Per Cent from Mid-March

Railway employment decreased 0.36 per cent—from 988,229 to 984,622—during the one-month period from mid-March to mid-April, but the April total was 3.6 per cent above that of April, 1939, according to the Interstate Commerce Commission's compilation based on preliminary reports. The index number, based on the 1923-1925 average as 100 and corrected for seasonal variation, stood at 55.6 in April as compared with March's 56.9, and April, 1939,s 53.6.

April employment in all groups was below that of mid-March, except for the maintenance of way and structures group, which was up 5.13 per cent. As compared with April, 1939, employment in all groups increased, the largest being the maintenance of equipment and stores group—up 6.48 per cent, and the next being the transportation (train and engine service) group, which was up 5.98 per cent.

Minimum Rates on Petroleum Products Upheld

Minimum rail rates fixed by the Interstate Commerce Commission for petroleum products moving from tidewater to inland points in Washington, Oregon and Idaho were upheld by a three-judge federal court at Portland, Ore., on May 2. The rail lines had proposed a rate of 25 cents per 100 lb. but the Commission set 41 cents as a minimum.

House Gets Bill to Require Certificates for Pipe-Line Extensions

Representative Crosser, Democrat of Ohio, has introduced H. R. 9623, a companion bill to S. 2753 recently introduced in the Senate by Senator Johnson, Democrat of Colorado, to amend the Interstate Commerce Act to require pipe lines to obtain certificates of convenience and necessity from the Interstate Commerce Commission for new construction and extensions. Like the Johnson bill, the Crosser bill has the backing of railroad labor.

T. N. E. C. to Postpone Rail Hearings Until Fall

The Temporary National Economic Committee (Monopoly Committee) has decided to wait until next November to hear a presentation by the Federal Trade Commission on allowances and divisions made by independent railroads to roads owned by steel companies and other industries, according to an announcement by Chairman O'Mahoney, Democrat of Wyoming. The Federal Trade Commission's preparation for this presentation was noted in the *Railway Age* of April 27, page 759.

C. & N. W. Program in New York

The New York Chapter of the Railway & Locomotive Historical Society will have a Chicago & North Western Night on Friday, May 17, when N. A. Jones, local passenger representative of that road, will present motion pictures of the operation of the Proviso Yards in Chicago and of the automatic train control system of the Chicago & North Western. For the occasion the society will use an air-conditioned projection room at Lloyd's, 729 Seventh Avenue, New York. The meeting will begin at 7:30 p.m.

Berwick Plant Celebrates Its Centennial

The Berwick, Pa., plant of the American Car and Foundry Company, a plow factory in 1840, now the company's largest car-building plant, celebrated its centennial on May 4 with events culminating in a dinner given by the Berwick Historical Society at the Hotel Berwick. "Industry and Education" was the theme of the double centennial of the beginning of industry in Berwick and the founding of education in the

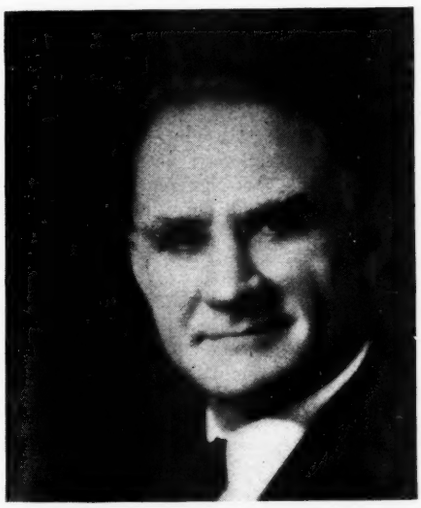
Berwick Academy, also in 1840. Addresses were made by Governor Arthur H. James of Pennsylvania, Judge E. Foster Heller of Wilkes-Barre, Pa., and President Charles J. Hardy of the American Car & Foundry Company.

In his address President Hardy said that $111,000,000 had been paid out in wages at the Berwick plant since the American Car and Foundry Company was formed in 1899 and that during this same period 230,000 railroad cars had been built at Berwick.

Senate Committee Approves Johnson Appointment to I. C. C.

The Senate committee on interstate commerce on May 7 voted to report favorably the appointment of J. Monroe Johnson to the Interstate Commerce Commission, which, as noted briefly in last week's issue, was sent to the Senate by President Roosevelt on May 2. Mr. Johnson, who has been assistant secretary of commerce since June, 1935, with jurisdiction over "all transportation activities of the Department of Commerce," was named for the unexpired term of Marion M. Caskie which runs until December 31, 1941.

The transfer of Col. Johnson to the I. C. C. cleared the way for carrying out the President's subsequently - announced



Colonel J. M. Johnson

plan of naming Robert H. Hinckley, chairman of the Civil Aeronautics Authority as assistant secretary of commerce—a move which has been interpreted as one designed to placate opponents of the pending reorganization order transferring C. A. A. to Commerce. Commenting on Col. Johnson's appointment on May 2, Stephen Early, secretary to the President, told how more than 15 senators had asked Mr. Roosevelt to fill the I. C. C. vacancy by naming someone familiar with the South's transportation problems. In casting about for the type of man the senators asked for, Mr. Early went on, the President came upon Col. Johnson who is an engineer, who comes from the South (South Carolina) and who is familiar with the inland waterways set-up, having had supervision over the government-owned Inland Waterways Corporation since last July 1 when it was transferred from the War Department to Commerce. Finally, Mr. Early said, the President in conversing with Col. Johnson at luncheon a few days earlier had found the latter with a good working knowledge of railroad problems. Thus the offer of the I. C. C. post which Col. Johnson accepted.

Following is the biographical sketch of Col. Johnson as issued by the Department of Commerce after his appointment to the I. C. C. had been announced:

"Colonel Johnson was born in Marion, S. C. He attended the University of South Carolina and Furman University at Greenville, S. C. By profession a civil engineer, he has engaged in this profession since 1898. He was first chairman of the South Carolina State Highway Commission. A veteran of both the Spanish-American War and World War, the colonel saw extensive overseas service in 1917-1918. His entire World War service was with the 117th Engineer Regiment of the Rainbow Division, first as a major, then lieutenant colonel and colonel in command of the regiment. He was awarded the Distinguished Service Medal (U. S.), Verdun Medal, Legion of Honor (France) and Belgian Order Leopold II.

"Colonel Johnson is a member of the American Association for the Advancement of Science, the American Society of Civil Engineers, the Society of American Military Engineers, of which he is executive vice-president, Military Order of the World War Sigma Nu Fraternity, and Omicron Delta Kappa Fraternity. His clubs in Washington are Army and Navy, Chevy Chase and Burning Tree.

"He is a charter member of the American Legion and was Dean of its National Executive Committee at the time of his appointment as Assistant Secretary of Commerce on June 21, 1935. As Assistant Secretary of Commerce he had jurisdiction over all transportation activities of the Department of Commerce, including the Inland Waterways Corporation, since its transfer from the War Department on July 1, 1939, and the National Bureau of Standards."

U. S. Supreme Court Order

The United States Supreme Court, at its May 6 session, denied a petition for a writ of certiorari, and declined to review a decision of the United States Court of Appeals for the District of Columbia which had affirmed a judgment dismissing a suit brought by an unincorporated association of negro railway employees (the National Federation of Railway Workers) to enjoining the National Mediation Board from putting into effect the certification by it of a rival organization as the representative of the coach cleaners employed by a railroad company.

P. R. R. Lowers Cost of All-Expense Tours

Substantial reductions in the prices of all-expense tours to the New York World's Fair of 1940, operated by the Pennsylvania in co-operation with the American Express Company, have been made effective. The savings in many instances will amount to more than 20 per cent as compared with similar two, three, four, five, six, and seven-day tours sponsored in 1939. This season's offerings range from a minimum of $6.80 for a two-day visit with double room and bath at one of the lower-priced hotels to $45.05 for a seven-day tour which provides stop-over at a de luxe hotel with a single room and bath.

Included in the shorter tours will be taxicab between the Pennsylvania station and the hotel selected; admission to the Fair; tour of the Fair in an American Express guide chair; and a sightseeing tour of New York by motor coach. The longer tours will also include visits to West Point, N. Y., Radio City, and a New York night club. Some 86 hotels are included in the arrangement and are divided into five-price classifications.

$109,000,000 Rivers and Harbors Bill Approved

The Senate and House on May 6 adopted a conference report embodying a $109,985,450 version of H. R. 6264, the rivers and harbors authorizations bill which passed the House last year as an $83,000,000 measure and the Senate on April 25 as a $150,000,000 measure. The bill now goes to the President who has on more than one occasion recently indicated his opposition to enactment of such a measure at this session.

C. N. J. Ordered to Continue "Blue Comet" Run

The New Jersey Board of Public Utility Commissioners has denied the application of the Central of New Jersey to discontinue its ten-year-old "Blue Comet," de-luxe all-coach train between New York and Atlantic City, N. J., expressing the opinion that the road has failed to publicize the run sufficiently and that its times of departure are inconvenient. The Central declared that revenues of the train dropped from $279,237 in 1931 to $61,315 in 1939 and that it incurred a net operating loss of $48,233 in the latter year.

The "Blue Comet" was inaugurated on February 21, 1929, as a pioneer de-luxe all-coach train. It affords air-conditioned equipment including reclining-seat coaches and observation-club car with complete porter service at no extra charge. It makes the 136-mile run in three hours, including ferry to Jersey City, N. J. [The Comet has been widely advertised by the railroad and was accorded detailed mention in a number of articles in the press at its inauguration. A glance at any Central timetable will indicate the extent to which it is publicized even today—Ed.]

Felicitates Train-Auto Service

Congratulations and felicitations on the new "baby" were extended by the Chicago Association of Commerce at a luncheon on May 1, to the 12 railroads and Railway Extension, Inc., which on that day established train-auto service in 100 cities in the Middle West, the South and the West. Respondent speakers were Hugh W. Siddall, chairman of the Trans-Continental-Western Passenger Association and Edward M. O'Shea, president of Railway Extension, Inc. Mr. Siddall termed the new service another step in the railroad's efforts to rejuvenate the passenger business.

The first attack on declining traffic, he said, was made in 1933 when sharp reductions in passenger fares were made. This effort was followed by the introduction of air-conditioned cars, streamlined trains, faster trains and other improvements. He estimated that if the railroads can secure five per cent of the persons using highways and $10 in revenue from each, the total annual revenue of the railroads would increase $75,000,000.

Mr. O'Shea reported that the service had already met with popular approval, as indicated by the fact that applications for credit cards had already been received from more than 18,000 persons.

Senate Committee Approves Pension Act Amendment

The Senate committee on interstate commerce on May 7 voted to report favorably Senate Joint Resolution 234, providing amendments to the Railroad Retirement Act and the Carriers Taxing Act designed to remove Mexican employees of the Pullman Company from coverage and thus avoid complications which have arisen in connection with the deduction of pension-tax payments from the wages of such employees. As noted in the *Railway Age* of May 4, House Joint Resolution 496, an identical measure, was recently reported favorably from the House committee on interstate and foreign commerce.

Montreal Milk Companies Insist on Train-Haul

Certain dairy companies in Montreal, Que., insist that milk from outlying points be delivered by train and refuse to buy truck-hauled milk, according to testimony at a recent hearing of the Canadian Board of Transport Commissioners, concerning a petition of the Canadian National to discontinue passenger service from Coteau junction, Que., to Aubrey, a distance of 52 mi. A witness pointed out that two of seven milk shippers in the vicinity of Aubrey would have to go out of business if the one daily-except-Sunday passenger service were discontinued, since the companies in Montreal to which they sell their milk insist upon train transportation.

March Locomotive Shipments

March shipments of railroad locomotives totaled 42 bringing the total for this year's first quarter to 107 as compared with 63 in the first three months of 1939, according to reports received from the manufacturers by the Department of Commerce's Bureau of the Census. Unfilled orders at the end of March totaled 163 locomotives, as compared with 168 at the close of February and 132 as of March 31, 1939.

The aforementioned March total of 42 locomotives shipped included seven steam locomotives, 29 Diesel-electrics and three of other types for domestic service and three steam for export; the unfilled orders as of the close of March included 28 steam, 20 electrics, 79 Diesel-electrics and 3 of other types for domestic service and 32 steam and one "other" for export.

Data supplied by the Car Service Division of the Association of American Railroads on locomotive building in railroad shops show that 11 locomotives, including eight steam and three electrics, were thus constructed during this year's first quarter; in the first three months of 1939 three steam locomotives and 15 electrics were built in railroad shops. Locomotives on order in Railroad shops as of April 1 totaled 47, including 30 steam and 17 electrics.

Swiss Freight Revenue Climbs 53 P.C.

Due principally to the war, the Swiss Federal railways enjoyed a 43 per cent increase in freight traffic and a 53 per cent increase in freight revenues in the fourth quarter of 1939 over the corresponding period of 1938, according to American consular reports. For the whole year freight traffic showed a gain of 22 per cent. Transit traffic through the country was 25 per cent higher, due principally to war-time trade between Germany and Italy. It is expected that the final figures for 1939 will show a net profit for the state-owned system of 3,500,000 francs ($784,000) which will constitute the first operating profit in eight years.

A. A. R. Anti-Trust Case is Continued

The Association of American Railroads has filed a petition with the federal district court in the District of Columbia asking that the time for filing of answers in its anti-trust case be extended from May 8 to June 8. The petition states that the railroads had understood that the case would be dismissed after the Association voted to rescind the resolution opposing joint rates and through routes with truckers, but that it had lately learned that the Department of Justice is not willing that the case be disposed of in this manner. It is thought that the Department will, as it has been doing in other anti-trust actions of recent date, demand a consent decree before the case is finally closed.

Third Volume of Consolidation Study is Printed

The third volume of the treatise on "Railroad Combination in the Eastern Region", which is being prepared by the staff of Senator Wheeler's rail-finance subcommittee, has been submitted to the Senate for printing in accordance with the resolution recently adopted for that purpose. A continuation of the first and second volumes which were noted in the *Railway Age* of February 10, page 301, and of March 30, page 598, the new volume covers the period from 1924 to 1926. The report is divided into two parts, the first dealing with the first series of four party conferences, and the second with the railroad combinations attempted and effected individually by the eastern systems.

Senate Sub-committee to Consider Pullman "Make-Work" Bill

The Senate committee on interstate commerce on May 7 referred to a sub-committee the bill (S. 3798) recently introduced by Senator Minton, Democrat of Indiana, to require the Pullman Company to assign a Pullman conductor to every train carrying revenue passengers in a Pullman car between 6 p. m. and 8 a. m. The subcommittee consists of Senators Minton, Hill of Alabama and Johnson of Colorado, Democrats, Shipstead of Minnesota, Farmer-Laborite, and Gurney of South Dakota, Republican.

As noted in the *Railway Age* of April 20, page 721, a similar bill—H. R. 9406—has been introduced in the House of Representatives by Representative Crosser, Democrat of Ohio.

Hearings on House Refrigerator Car Bills

Hearings on H. R. 7466 and H. R. 8242, the so-called refrigerator car bills, were scheduled to open on May 9 before a subcommittee of the House committee on interstate and foreign commerce. These bills, which would give shippers of fresh meats, packing-house products or dairy products the right to furnish their own refrigerator cars, are designed to counteract the Car Service Division's action of May 5, 1939, reserving for railroads the right to furnish railroad-owned or railroad-controlled cars for such traffic.

The sub-committee consists of Representatives Pearson of Tennessee, Ryan of Minnesota, and Patrick of Alabama, Democrats, and Wolfenden of Pennsylvania, and Holmes of Massachusetts, Republicans.

Express Offices Hold Four-Day Meeting

Some 125 ranking officers of the Railway Express Agency throughout the country attended a four-day business conference held at the Roosevelt hotel, New York, May 7-10. The conference, which was conducted by L. O. Head, president of the Agency, considered all phases of the company's operations, with a view to making them more adaptable to changing conditions in the transportation field. During the conference, Agency officers were taken on tours of inspection of all of the company's major terminals and central points of operation within Greater New York.

The Agency designated Thursday, May 9, as "Air Express Day" at which time all matters pertaining to air express were discussed. The major executives of all the leading air lines were invited to attend.

Education Group Issues Pictorial Study on R. R. Problem

A 32-page pictorial study of the railroad problem appears as the latest issue of "Building America," a photographic magazine on modern problems published by the Society of Curriculum Study. The magazine, replete with excellent action "shots," sets forth America's transportation problem in a simple but complete way so as to bring home its importance to school and college students. Section 1 points out why the railroad problem is important to every person in the country; sections 2 and 3 describe the services of the railroads; section 4 gives the "human side" of railroad personnel; section 5 gives a brief history of railroad development; sections 6 and 7 trace the development of regulation; section 8 gives an objective picture of railroad labor organization, treating such topics as seniority; sections 9 and 10 analyze the latest problems of railroad

regulation; section 11 points out the railroads competitive handicaps while the following four sections go into the leading problems which railroad management and railroad regulators must solve.

The Society for Curriculum Study was formed for the purpose of supplying guides for curriculum study in schools and colleges. Its editorial offices are located at 425 W. 123rd street, New York.

Long Island Centralizes Telephone Information

To make it possible for suburban patrons to secure information about the Long Island or its parent Pennsylvania at any time of day or night without incurring telephone toll charges, the Long Island has established a new centralized telephone information service by which residents of 22 towns in the southern part of Nassau County, N. Y., may find out about train fares and schedules by calling "Lynbrook 1022" at no more than the usual telephone charge to the Lynbrook exchange. Thereby the residents of these towns will save the cost of telephoning Jamaica (operating headquarters of the Long Island) when local agents are off duty. If the plan is successful, the centralized service may later be extended to include other parts of the county.

Chicago Railroads Carry Serum

As a special service to the communities they serve, railroads operating out of Chicago have made arrangements for the speedy and safe transportation of serums on passenger trains. The railroads now hold passenger trains after their scheduled departure times, upon request from the various laboratories at Chicago until the serum can be rushed to the station and placed in the personal care of the train conductor or stewardess. Furthermore, the railroads stop their crack trains at any point on their lines, so that prompt delivery of the serum may be made directly to the waiting physician or hospital attendant.

Two instances of the importance of railroad speed in delivering serums have occurred within recent weeks. In one instance 78 minutes were required to carry serum to a small town 78 miles from Chicago. In the second instance, an emergency call from a small town more than 200 miles away was received shortly before midnight by one of the Chicago laboratories. The last night train for that town had left its Chicago terminal but orders were wired ahead, the train was held at its first stop until the serum, raced by automobile, was given to the conductor, and delivery was made, more than 200 miles away, within four and one-half hours.

Club Meetings

The Car Department Association of St. Louis in connection with its morning and evening meetings scheduled for May 21 (already announced in *Railway Age*) is co-operating with the East St. Louis (Ill.) Chamber of Commerce in sponsoring a "forum luncheon meeting" at the Broadview hotel, East St. Louis, to which the chambers of surrounding cities and civic clubs are invited. The program includes the showing of a motion picture entitled "Tomorrow's Railroads," describing research work carried on by the railroads and equipment manufacturers. H. C. Hallberg, assistant to the president, Waugh Equipment Company, New York, will give a short address in connection with the film.

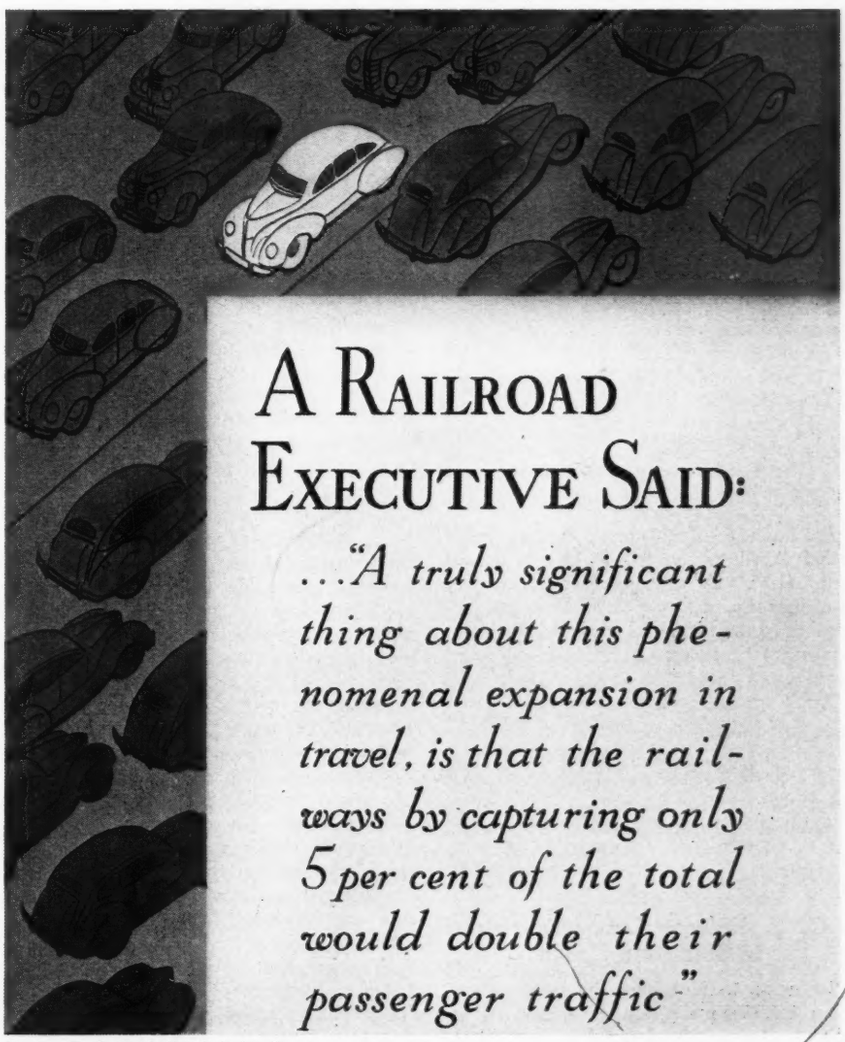
The New York Railroad Club will hold its annual summer outing at the Westchester Country Club, Rye, N. Y., on Thursday, June 20, in place of June 6 as originally announced. The next meeting of the New York Railroad Club will be held on Thursday, May 16, at 7:45 p. m. in the Engineering Societies Building, 33 West 39th Street, New York. The subject for discussion will be Air Power for Railroad Work. R. H. Johnson, assistant vice-president, Ingersoll-Rand Company, will present a paper entitled History of the Development and Use of Compressed Air in Industry, and the Reasons Therefor, and W. H. Armstrong, manager of the Tie Tamping department, Ingersoll-Rand Company, will speak on Air Power as Applied to Track Maintenance. Pictures of air tools in railroad shop and roadway use will be shown with a brief presentation of time study data concerning hand versus air power.

The Railway Club of Pittsburgh, Pa., will hold its next meeting at the Fort Pitt hotel on May 23. C. B. Monro, president of the Pennsylvania-Central Airlines Corporation, Pittsburgh, will present a paper entitled "Air Transportation." Dinner will be served at 6:30.

Budd Looks at the Passenger Business

That daytime travel between points not over 450 miles apart offers a rich field for the railroads is the theme of an elaborate 100-page large-size booklet recently prepared by the Edward G. Budd Manufacturing Company under the title "Analysis of Changes in Transportation." Getting over its message chiefly with diagrams, maps and simple charts with captions in large letters, the book tells the story of the decline of railroad passenger business coupled with the tremendous increase in *total* travel in the country, stressing the point that the railroads need capture but a small part of the total *new* travel-public to exceed their hey-day traffic volume.

Budd points out that 95 per cent of all inter-city auto travel is by day and that 7/8



Courtesy E. G. Budd Manufacturing Co.

This Page From the Budd "Analysis of Changes in Transportation" Gives the Theme of the Book

of the passenger loss on the railroads from 1920 to 1934 occurred for trips under 450 mi. Hence it is the company's contention that the greatest opportunity for the railroads lies in "selling daytime travel on runs under 450 mi."

The remainder of the book reviews operations of Budd-build trains on the Burlington, Rock Island, Reading, Boston & Maine, Santa Fe, Seaboard, and individual Budd cars on the Pennsylvania and New York Central.

Freight Car Loading

Loading of revenue freight for the week ended May 4 totaled 665,510 cars, the Association of American Railroads announced on May 9. This was an increase of 20,990 cars, or 3.3 per cent, over the preceding week, an increase of 93,485 cars, or 16.3 per cent, above the same week in 1939, and an increase of 129,361 cars, or 24.1 per cent, above the same week in 1938.

As reported in last week's issue, loading of revenue freight for the week ended April 27 totaled 644,520 cars, and the summary for that week, as compiled by the Car Service Division, A. A. R., follows:

For Week Ended Saturday, April 27			
Districts	1940	1939	1938
Eastern	141,153	136,700	115,944
Allegheny	131,267	106,518	100,025
Pocahontas	46,523	14,140	33,591
Southern	99,109	94,377	89,792
Northwestern	83,534	80,505	69,510
Central Western	97,943	104,659	89,330
Southwestern	44,991	48,291	44,897
Total Western Districts	226,468	233,455	203,737
Total All Roads	644,520	585,190	543,089
Commodities			
Grain and grain products	35,933	35,229	35,338
Live stock	12,352	14,106	12,630
Coal	116,766	74,757	76,471
Coke	7,872	5,397	3,618
Forest products	33,718	29,253	26,568
Ore	20,846	15,890	10,928
Merchandise l.c.l.	148,638	153,432	149,957
Miscellaneous	268,395	257,126	227,579
April 27	644,520	585,190	543,089
April 20	628,342	557,867	523,748
April 13	618,810	547,179	537,585
April 6	602,697	534,952	522,049
March 30	628,278	600,691	523,489
Cumulative Total, 17 Weeks	10,659,203	9,773,439	9,285,152

In Canada.—Carloadings in the week ended April 27 totaled 50,486, compared with 51,132 in the previous week and 46,808 in the comparable 1939 week, according to the compilation of the Dominion Bureau of Statistics.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada:		
April 27, 1940	50,486	25,251
April 20, 1940	51,132	25,779
April 13, 1940	50,348	23,935
April 29, 1939	46,808	22,098
Cumulative Totals for Canada:		
April 27, 1940	806,147	416,008
April 29, 1939	701,621	359,762
April 30, 1938	753,593	367,975

I. C. C. Refuses Labor Provisions in Signaling Cases

Refusing to include in its order provisions for the protection of employees involved, Division 3 of the Interstate Commerce Commission has authorized the Pennsylvania to install a centralized traffic control system between Macksville, Ind., and Casey, Ill., and to modify an automatic block signal system between Knightsville, Ind., and Casey, Ill. Details of the Pennsylvania's and the employees' arguments before the commission were given in the *Railway Age* of April 13, page 677.

Division 3 found that the present law does not give it power to prescribe such labor protection provisions and that if such provisions are necessary, the remedy lies in legislative action.

In another case decided at the same time, which also involved a request for labor protection provisions, Division 3 made a similar finding and authorized the Chicago, Milwaukee, St. Paul & Pacific to install automatic interlocking with smash boards, in lieu of mechanical interlocking with derails on both lines, at crossing of the Milwaukee with the Minneapolis & St. Louis at Norwood, Minn.

At the same time Division 3 has denied a petition of the Rutland to discontinue a manual-block system between North Bennington, Vt., and Chatham, N. Y., holding that such a discontinuance would decrease, rather than increase safety of operation.

Rail Travel to Be Sold on Installment Plan

Rail travel will be sold on an installment plan effective May 1, under arrangements made by Travelers Credit Corporation, St. Joseph, Mo., and 66 railroads in the United States. Under the plan, the railway sells the transportation and Travelers Credit Corporation advances the money to the railroad. The prospective user merely goes to the ticket office of the co-operating railway over whose lines he wishes to travel, or to a travel agent, and makes application for credit in the amount of the cost of the proposed trip or tour. If the routine credit inquiry made by the Corporation indicates an ability to meet monthly payments, the applicant is notified that his ticket is ready for him. The only contact in connection with the application is with the ticket or travel agent, just as though the ticket were being purchased for cash. The application is passed upon within twenty-four hours.

Use of the travel credit plan requires no collateral—only the signature of the individual. The cost of the proposed trip, however, must total $50 or more to be eligible for purchase on credit. No down payment is required. There is a nominal service charge for the credit accommodation.

It is predicted that the largest use of the travel credit plan will be for vacations and other recreational trips and tours, although the service is intended to cover any form of railway travel. Credit is not necessarily confined to the cost of transportation alone. It may be used for Pullman accommodations, all-expense tours, which usually include hotels and meals, specified side trips, and any service that is sold through the railroad ticket office.

A nation-wide survey of the vacation and traveling practices of average Americans indicates that many persons are frequently forced to forego trips or vacations because of financial stringency at the only period of the year in which they can get away to enjoy themselves. For such individuals or families the credit service is seen as a veritable boon.

Joint Rates with Seatrain

Examiners E. J. Hoy and M. J. Walsh have recommended among other things in a proposed report on rehearing of the case involving the publication by railroads of joint rates with Seatrain Lines, Inc., that the Interstate Commerce Commission adhere to its previous finding to the effect that railroads required to participate in through routes with Seatrain may maintain the joint rail-water rates in that connection on a higher level than those applicable over joint routes with the break-bulk water carriers. The title case is No. 25727, and the commission's original decision was reviewed in the *Railway Age* of February 12, 1938, page 316.

Other recommended findings of the proposed report would modify prior findings with respect to rates and charges on domestic, export and import traffic between Belle Chasse, La., and points in portions of Southern territory. The proposed report embodies the story of maneuvers whereby seatrain's so-called "unfriendly" rail connections sought to keep their joint rates with that carrier on the maximum reasonable basis permitted by the commission, while Seatrain sought through the publication of proportional rates to bring such rates to parity with those applicable via the break-bulk water lines competing with it for coastwise traffic moving between New York and New Orleans, La. The examiners recommend that if Seatrain and its "friendly rail connections" refuse to participate in joint rates on the maximum reasonable basis prescribed in the prior report, then the so-called "unfriendly connections" should not be required to join in establishing rates on any lower basis.

Engine Crews Strike on Monongahela Connecting

A deadlock in a dispute over the use of "firemen" on Diesel-powered switching locomotives of the Monongahela Connecting, which has been in negotiation since last fall, resulted in the calling of a strike by the Brotherhood of Locomotive Firemen & Enginemen on the road on April 30. On May 8 the striking employees returned to work under a compromise agreement under which the railroad agreed to employ "firemen" on Diesel locomotives used in transfer to trunk line railroads. By May 4, the Brotherhood claimed that virtually all of the road's locomotive crews had walked out, tying up the switching road's motive power, while company spokesmen told the press that movements to connecting main line roads "are continuing but not as freely as before the strike."

The Monongahela is a 37-mi. affiliate of the Jones & Laughlin Steel Corporation used both as an industrial facility at the company's South Side mills in Pittsburgh, Pa., and as a common carrier connecting J. & L. and several other plants with trunk lines. Eight of its 32 locomotives (all switchers) are Diesel-powered and are operated by one man. Last October the B. of L. F. & E. demanded that the road hire 24 "firemen" to cover the

three tricks, contending that two-man engine crews are standard in the country. On its part, the railroad argued that such "firemen" are not universal on switching lines and that they are unnecessary on a road on which the average haul is two miles. "We have operated these Diesels for over three years but the Brotherhood's first demand for firemen was made only last fall."

Under the compromise agreement, the carrier will employ "firemen" on a minimum of three of its Diesel locomotives.

No Exemption from Coal Prices

A decision favorable to the Government in applying the provisions of the Bituminous Coal Act of 1937 to purchases by railroads from company owned mines was rendered by the United States Circuit Court of Appeals when the Court, sitting at Kansas City, Mo., denied the petition of the Northwestern Improvement Company to exempt coal for the Northern Pacific from the minimum prices to be charged for coal.

The coal company is a wholly owned subsidiary of the railroad with mines in Central Montana and Eastern Washington. The railroad uses some of this coal in the state in which it is produced but hauls most of it into other states. The company contended that since the railroad took possession at the mine mouth, the sale was only intrastate commerce and not subject to minimum prices even though the railroad transported the coal to another state before using it. The Court held that the transaction was clearly interstate commerce and subject to regulation under the Coal Act. The Court pointed out that "the two fields operated by petitioner produce approximately two and one-half million tons of bituminous coal in a single year, and the consumption of coal by the railroad is so great that its exemption from the provisions of the Act, as urged by petitioner, cannot be held to have been intended by Congress in the absence of expressed provision to that effect."

The proposed minimum prices at mines, soon to become effective, cover substantially all of the coal produced in the United States and this decision of the Court purports to affect many cases now before the Coal Division involving the sale of coal to railroads.

Pipe Line Would Boost Heavy Trucks, Say Opponents

Some 50 counties in Georgia have sent resolutions to the Governor and the State Highway Board in opposition to a proposed gasoline pipe line from Port St. Joe, Fla., across the State of Georgia; in contrast, five counties have passed resolutions approving construction, according to H. D. Pollard, receiver, Central of Georgia. At public hearing before the State Highway Board (which must approve intersections of public highways by pipe lines) and in hearings before county commissioners, opponents of the line have argued that there is no indication that consumers will benefit by any reduction in the retail price of gasoline by reason of the pipe line. Stock of the gasoline carrier is owned by the Gulf Oil Corporation and the Pure Oil Company and no responsible office of either company has promised that lower prices would result.

Opponents also point out that the use of large tank trucks on the state's roads would be greatly increased by reason of the pipe line since delivery to retailers would be made by highway from eight bulk stations along the line. And if, as may reasonably be expected, distribution from these bulk stations is made by trucks of the big oil companies themselves, those trucks may legally be of far greater size and weight than those which the law permits for the present contract carriers. The present Georgia law limits contract carriers to 18,850 lb. for truck-trailers while an oil company carrying its own products could legally operate a truck-trailer with a weight of 64,000 lb.

The argument was also put forth that the pipe line as an industry would bring far less money into the state and afford less employment than the carriers which it would displace. It was pointed out that a 400-mi. pipe line may be expected to give employment to fewer than 100 workers, while a 400-mi. railroad, by contrast, would give employment to 1,600 persons.

J. G. Kerr, chairman of the Southern Freight Association, recently sent a letter to the State Highway Board expressing the opinion that "it might be doubted" whether any savings from transportation by the pipe line would be passed on to consumers.

House Gets Report on Road Authorization Bill

Representative Cartwright, Democrat of Oklahoma, has submitted, from the committee on roads, a report on H. R. 9575, the bill making federal authorizations for roads for the fiscal years 1942 and 1943, details of which were given in last week's issue. The report points out that section 5 of the bill proposes to authorize $50,000,000 for each of the fiscal years ending June 30, 1942 and June 30, 1943, for the elimination of hazards to life at grade crossings. This, the report says, merely continues the policy already adopted of authorizing appropriations for this purpose without requiring that the federal funds so authorized be matched by the states.

"Up to the end of the calendar year 1939 provision had been made for the elimination and protection of more than 14,000 railroad-highway grade crossings with federal-aid funds," continues the committee's report. "Statistics submitted to the committee from a recent report of the Interstate Commerce Commission indicated that at the end of the calendar year 1938 there still remained more than 231,000 railroad-highway grade crossings. While much progress has been made through the federal appropriations in eliminating and protecting the more important grade crossings the committee is impressed with the large number of crossings still remaining and recommends the continuation of this authorization in the amount proposed in the bill. The funds authorized will be apportioned, one half on population, one fourth on mileage of the federal-aid highway system, and one fourth on railroad mileage. They will be expended under the supervision of the state highway departments in accordance with the provisions of the federal highway act.

Section 11 of the bill would add some new language to the present law by permitting the purchase of adjacent strips of land of limited width and primary importance for the preservation of the natural beauty through which highways may be constructed, when approved by the Public Roads Administration. It also provides that not to exceed five per cent of the federal-aid funds apportioned under this act to any state and matched by such state may be used for this purpose without being matched by the state.

A similar bill which takes the form of an amendment or substitute for S. 3105 ator Hayden, Democrat of Arizona. This bill follows the language of the bill reported by the House committee with the exception that spaces for amounts of money to be authorized are left vacant.

Bills Would Increase Unemployment Benefits

Bills to increase benefit payments under the Railway Unemployment Insurance Act were introduced in Congress last week following the breaking off of negotiations in that connection which were being conducted by committees representing railway management and labor. Two bills went into the Senate—S. 3920, introduced by Senator Wagner, Democrat of New York, embodied the views of labor, and S. 3925, introduced by Senator Gurney, Republican of South Dakota, embodied the views of management. The Senate committee on interstate commerce, at an executive session on May 7, referred the two bills to a subcommittee consisting of Senators Wagner, Minton of Indiana, and Schwartz of Wyoming, Democrats, and Gurney and Shipstead, Farmer-Laborite of Minnesota.

As noted in recent issues of *Railway Age*, the negotiations in connection with the unemployment insurance set-up came about as a result of management's move for a reduction in the annual payroll tax of approximately $60,000,000—a move based on the size of the fund and estimates that the tax collections for the fiscal year ended next June 30 will amount to about $40,000,000 more than the year's benefit payments.

In introducing S. 3925 Senator Gurney said that "the Association of American Railroads is in complete agreement that some changes should be made, but considers that the percentage of increased benefits should not be as large" as proposed in the Wagner bill. Continuing, the South Dakotan said that he felt "wholly consistent in offering the employer's ideas at this time, inasmuch as the employees ideas have already been offered." Also, Mr. Gurney offered a letter he had received from Dr. J. H. Parmelee, director of the Bureau of Railway Economics, who submitted a comparison of the Wagner and Gurney bills. Generally speaking Dr. Parmelee stated that the former would increase the unemployment insurance benefits about 100 per cent, whereas the Gurney bill, designated in the Parmelee memorandum as the "railroad bill," would increase benefits about 25 per cent. The estimate

of the 100 per cent increase in benefits under the Wagner bill, Dr. Parmelee said, is that of Murray W. Latimer, chairman of the Railroad Retirement Board.

Also, the railroad bill provides for a sliding-scale tax, changing in accordance with the amount in the fund. No such set-up would be provided under the Wagner bill, which, however, Dr. Parmelee said, "contains a number of provisions which would enable the Railroad Retirement Board . . . to spend money for administrative purposes without any check or supervision by Congress or any government agency."

Committee Votes 36 Cents As Minimum for Rail Industry

The Railroad Carrier Industry Committee under the Fair Labor Standards Act has voted to recommend a minimum wage rate of 36 cents an hour for the employees of Class I roads and 33 cents an hour for the Short Lines. Economists for the Wage and Hour Division estimate that the 36 cent rate will mean an hourly wage rate increase for more than 60,000 workers out of a total of about 1,000,000 employed by the Class I roads. During the hearings before the committee, representatives of the railroads testified that it would cost the Class I roads $6,903,609 a year to increase the minimum wage to 36 cents.

Colonel Philip B. Fleming, administrator of the Wage and Hour Division, will soon schedule a separate hearing on the committee recommendation at which any interested person may appear. At the close of this hearing the administrator can either approve or disapprove the recommendation. If he approves he will issue a wage order having the force of law.

The question of whether there should be any increase in the present minimum wage of 30 cents and hour for railroad employees was orally argued by representatives of the carriers and railroad labor before the Railroad Carrier Industry Committee of the Wages and Hour Division, Department of Labor, on May 3 and 4. The committee, which is composed of four representatives of the "public," four from organized railroad labor, and four from management, is given the power to recommend an increase up to 40 cents an hour, provided there is no substantial curtailment of employment. Since the last meeting of the committee, H. E. Jones, secretary of the Bureau of Information of the Eastern Railways, has been appointed to the position vacated by E. J. McClees, executive secretary of the same organization, who was forced to resign on account of illness.

The law provides that recommendations of the committee are to be made to the administrator of the Wage and Hour Division, whose decision on the matter, after holding a hearing, is final. Frank P. Graham, president of the University of North Carolina, acted as chairman of the committee.

As pointed out in detail in recent issues of the *Railway Age*, the committee held some three and a half weeks of public hearings early this Spring to determine the conditions of labor in the industry and to decide whether or not the basic rate of 30 cents could be increased without curtailing employment in a substantial amount. The carriers throughout the hearings took the position that the industry, and principally the southeastern carriers who would be most largely affected by such an increase, could not afford any increase and would have to meet it by a further mechanization of their operations with a consequent displacement of labor, especially in the field of track maintenance. On the other hand railroad labor asked for an increase to 40 cents an hour, saying that the carriers could afford it; would not mechanize further than they have already unless they found the funds to do it with, and lastly, that there was a presumption in the law that the committee should find for the 40 cent minimum unless the railroads sustained the burden of proof that they could not afford such an increase and that they would have to lay off large numbers of men.

During the course of the argument counsel for labor and management differed sharply as to where the burden of proof rested. The carriers, represented by Bruce E. Dwinell, William T. Joyner, and Daniel P. Loomis, took the position that the present 30-cent minimum could be raised only on an affirmative showing that a substantial curtailment of employment would not result from any increase.

The railroad attorneys argued that there was no evidence before the committee on which it could find that there was any rate above 30 cents which would not result in a substantial curtailment of employment. They went on to add that there had been a complete lack of evidence to sustain any affirmative recommendation of a minimum rate in excess of 30 cents an hour.

On the other hand carriers' counsel told the committee that they had proved that any advance in minimum wages would substantially curtail employment. On the basis of this proof, they held, the committee should make an affirmative determination that 30 cents an hour was the highest minimum wage for the industry which, having due regard for economic and competitive conditions, would not substantially curtail employment in the industry.

Taking the same position as he had in the presentation of evidence before the committee, Frank L. Mulholland, appearing as counsel for the labor unions, supported the thesis that the fair labor standards act contained a definite statutory presumption in favor of the 40-cent an hour minimum. He went further to hold that any attack on the 40-cent minimum must be supported by a showing that such an increase would substantially curtail employment.

During the course of his argument the labor attorney told the committee that the railroad industry was well able to pay the 40-cent minimum and that the prospects for improved financial conditions in the industry were bright. Also, he took little stock in the carrier argument that any increase in wages would mean further mechanization, saying that it fell by its own weight. Taking the position that the amount of mechanization depended entirely on revenues, Mr. Mulholland declared that railroad engineers, in testifying before the committee, "broke down" and admitted that practically all the mechanization on the railroads had resulted from causes other than wage increases.

During the argument attorneys for both sides strayed from the record to point out to the committee statements made by various leaders in the industry appeared to be at variance with testimony introduced into the record during the hearings.

Mr. Mulholland, in declaring that the picture of railroad finances depended upon the audience which a railroad spokesman was addressing called the committee's attention to a speech made by M. J. Gormley, executive assistant to the Association of American Railroads, before the American Society of Civil Engineers on March 15 in Washington, details of which were given in the *Railway Age* of March 23, page 558. In that speech, according to the labor attorney, Mr. Gormley had described the railroads as a "virile, dynamic and progressive industry" and one in which the country would be justified in investing huge sums of money in new improvements. He then contrasted this optimistic picture with the doleful financial picture which witnesses for the industry had given the committee.

In his rebuttal argument Mr. Dwinell read into the record some statements on the railroad industry recently made by George M. Harrison, president of the Brotherhood of Railway Clerks, and until recently, chairman of the Railroad Labor Executives Association, in testifying before the Temporary National Economic Committee, details of which were given in the *Railway Age* of April 20, page 717. During this testimony Mr. Harrison stated that his organization had large sums of money to invest, but that as custodian of these funds, he did not invest "one dime" of the funds in railroad securities. Thus, Mr. Dwinell told the committee, in one forum railroad labor thinks the industry has great possibilities and in another it recites just the opposite picture.

C. A. Miller, general counsel for the American Short Line Railroad Association, and C. D. Cass, counsel for the street and interurban electric railways, urged the committee not to grant any increase above the present 30-cent minimum.

Texas Interests Oppose C. & S. Lease of Ft. W. & D. C.

The question of whether the Colorado & Southern, a Chicago, Burlington & Quincy subsidiary, should be permitted to lease and directly operate its two Texas subsidiaries, the Forth Worth & Denver City and the Wichita Valley was argued before Division 4 of the Interstate Commerce Commission on May 8. Commissioners Porter and Mahaffie were on the bench, but Mr. Porter announced at the beginning of the hearing that Commissioner Miller, who was temporarily in a hospital, would read the record and participate in deciding the case. The expected savings from the consolidation, which, after a period of five years, were estimated at $320,000 a year, were explained to the commission by Walter McFarland, general solicitor of the

Burlington; while the case for the Texas interests who oppose the lease was presented by E. P. Byars for the Fort Worth Chamber of Commerce and the Fort Worth Freight Bureau; C. C. Broughton for the Childress, Tex. Chamber of Commerce; C. C. Cammack for the state of Texas and the Texas Railroad Commission; and Amon G. Carter for the shipping interests in Forth Worth.

Mr. McFarland began his argument by pointing out that besides the lease proposition, the C. & S. would also assume the liability for a $8,176,000 note of the Fort Worth which is held by the Reconstruction Finance Corporation. He went on to point out that during the past 10 years there had been a great falling off in the traffic of these three roads, due to several reasons, among which were the recent depression, truck competition, the natural gas and oil field near Amarillo, Tex., which cut into the amount of coal hauled into the state, and the building of the Moffat Tunnel, which, he said, gave the Denver & Salt Lake a better route than the C. & S. for the hauling of coal.

Describing the lease plan, which has been recommended for approval to the commission by its examiner W. J. Schutrumpf, Mr. McFarland pointed out that it would not result in any impairment of service despite the fact that some 189 positions would be discontinued, 175 of which were employees and 14 of which were officers. Some employees, he asserted, would be moved to Denver and to other points on the Burlington and C. & S. systems. The C. & S., he told the commission, would abide by the terms of the Washington Agreement which provides severance pay and the expenses of moving for the affected employees.

Mr. Byars argued that such an application as this one demands a preponderance of public demand and need, and he went on to assert that there was great doubt as to the possible savings to the C. & S. which would result from the lease. He also contended that the record showed that the displaced employees would be reemployed either at Denver for the C. & S. or at some point on the Burlington, thus effecting no saving at all. He also predicted that the merger would cost the road the greater part of the 80 per cent of its revenues which are paid by Texas shippers. Moreover, Mr. Byars estimated that Fort Worth would lose the buying power of $250,000 a year in salaries of the displaced employees.

Mr. Broughton told the commission that 104 employees would be displaced in the Fort Worth's Childress shops, which are to be discontinued. His position was that it would cost the road more to make car and engine repairs at Denver, as is contemplated, than it would to continue to make them at Childress. Also, he pointed out that his city had made a substantial investment in a new water supply for the Fort Worth's shops in recent years, all of which would be lost if the shops are abandoned. He closed by asking the commission to deny the application.

Appearing for the state of Texas and the Texas Railroad Commission, Mr. Cammack presented the argument that this merger case was different from the Louisiana, Arkansas & Texas, the Kansas City Southern, and the Chicago, Rock Island & Gulf cases in which the commission approved leases of Texas subsidiaries by the parent companies in that in those cases the Texas company represented a very small part of the total mileage, while in this case the Forth Worth represented a very substantial part of the Colorado & Southern system. He, also, asked the commission to refuse authority for the lease.

Mr. Carter called the plan the "most cold-blooded and unthinkable thing a person could do" and contended that the savings to be obtained were "mythical and problematical". He also told the commission that he, in his capacity as publisher of the Fort Worth Star-Times, had, within the time that the application has been pending, diverted to water lines over $65,000 worth of freight in the form of newsprint. He hinted that if the merger goes through this process will increase to the detriment of the carrier. The feelings of the Fort Worth publisher were epitomized in his closing words: "We don't like it, we're not going to like it, and we won't forget it".

In his rebuttal argument Mr. McFarland admitted that the real reason for this move was to forestall the need for section 77 reorganization for the Forth Worth.

RRs. Will Come Back With U. S.

(*Continued from page 823*)

physically capable of competing with the stabilized lines of railroad already adequately serving the territory. "The only effect of building up these weak roads and minor lines," he said, "is to shave off a part of the gross which the stabilized lines need, without any possible hope for the miracle of transforming the chronic weaklings from consistent losers into winners."

Of motor carriers, the U. P. chief expressed the opinion that there might have been no commercial highway competition if railroad management had had "a little more vision . . . could have pictured their institutions not merely as railroads but as transportation agencies with the traditional long distance carrier, the railroad, the backbone of transportation as it long will be, but ready to accommodate the public in a way to meet its fancy by highway in the air or by rail." He explained that the raliroads did offer motor transportation to the traveling public but stated that "they left out of the new picture by far the more important element; they sorely miscalculated the potentialities of highway freight transportation."

Mr. Sloan expressed certainty that the country will return in time to "sound, tried business principles," at which time the railroads would regain their former preeminence. He asked for a national transportation policy, remarking drily that insofar as a national policy now exists "it is a policy of treating each agency of transportation differently."

Mr. Sloan was enthusiastic about the public's reaction to new equipment and services in the passenger field and summarized advances in freight speeds and efficiency. Of the future he said:

"The railroad industry's duty is first and always to the public. It has an obligation not only to serve the public well, but also to serve it satisfactorily; which means the way in which it wants to be served. That implies a great deal. Today is a day of investigation, of examination, of scrutiny, of weighing and planning of values. Business responds, as do individuals, to this spirit. It must, or go down before it. It is the privilege of the railroads to adopt this spirit—to travel along with it. It is the duty and the privilege of the railroads to meet the public a little more than half-way, to prove that they are operating satisfactorily, and for the public's benefit, to deserve their dividends when there are any, as well as to earn them, and to make the public know the profit is deserved if earned.

"Far from having reached the last frontier, we scarcely have glimpsed it. The country still is possessed of boundless resources. When our people return, as certainly they shall, to sound, tried business principles, and once more become imbued with that spirit of enterprise which in the past made our country the envy of the world, our railroads—granted the fair treatment to which they are entitled—again will be recognized as the nation's transportation reliance, and regain their former pre-eminence in the world of finance."

Mr. Dunn told the bankers: "If private enterprise has no future, then, of course, the country has none. But if private enterprise and the country have a future, surely an industry which in 1939 handled 63 per cent of its commerce, also has a future as an essential part of its private enterprise. In the first two-thirds of last year the railways' net earnings were 67½ per cent less than in 1929. But in the last one-third of the year, when we were having a brief 'war boom,' their net earnings were only 29 per cent less than in 1929 and almost as large as in the last one-third of 1930. This shows how they could 'come back' if afforded an opportunity by a substantial increase in traffic."

Citing the causes of present railroad distress, in order, as the depression, increased competition, high wages and prices and high taxes, Mr. Dunn claimed that the chief factor in the picture is the continued depression and the cessation of the steady climb in traffic *per capita* which the railroads enjoyed previous to this decade. As he explained it: "The total freight traffic of all carriers was 10½ per cent smaller in 1939 than in 1926. That fact, in view of all previous experience, is a most astounding and significant one. Before this depression freight traffic always increased more in proportion than population. The freight traffic of the railways alone increased an average of 65 *ton-miles per capita annually* in the decade ending with 1900; 91-ton miles in the decade ending with 1910; and 111 ton-miles in the decade ending with 1920. In 1890 railway ton-miles per capita were 1,211, and in 1926 were 3,820 ton-miles per capita; the total traffic of all carriers in 1926 was 5,000 ton-miles per capita, and according to all previous experience should have in-

creased in 1939 to at least 6,170 ton-miles per capita—whereas it was 4,000 ton-miles.

"This unprecedented failure of the country's traffic per capita largely to increase has been due entirely to the unprecedented prolongation of the depression. If recovery had occurred, as it did from every previous depression; if, in consequence, total traffic had increased since 1926 an average of 90 ton-miles per capita annually, as it actually did during the preceding forty years; and if the railroads' share of it had been reduced from 75.4 per cent in 1926 to only 63 per cent of it in 1939 as it actually was—then the railroads' share of it in 1939, instead of being only 333 billion ton-miles, would have been 510 billion ton-miles. That would have been 53 per cent larger than it actually was in 1939, and also 14 per cent larger, instead of 26 per cent smaller, than in 1926. In that case, on the present basis of rates the freight earnings of the railways, instead of being only 3¼ billion dollars in 1939, would have been almost 5 billion dollars—larger than in any year in their entire history."

For those business men who have supported or winked at the unequal treatment by government of the various kinds of carrier the speaker expressed the caution that, since the commerce clause of the Constitution, which is the sole foundation of the power to regulate the railroads, is capable of broad expansion, such parties "are simply promoting precedents for the application of similar policies to other industries."

I. C. C. Promulgates Rules for Private Truckers

Following generally the proposed findings of Examiner R. W. Snow, Division 5 of the Interstate Commerce Commission has, with relatively minor exceptions, extended to the drivers of private trucks in interstate commerce regulations governing maximum hours of service of drivers and safety of operation and standards of equipment of common and contract motor carriers. The proceeding was instituted on July 30, 1936, on the commission's own motion for the purpose of establishing for private carriers of property by motor vehicle, "if need therefor be found," reasonable requirements to promote safety of operation. As promulgated, the order would apply to all drivers of private trucks except farm trucks engaged in hauling agricultural commodities or farm supplies.

In all, Division 5 made some 24 findings in the case, which is docketed at Ex Parte No. MC-3; and they are set forth as follows:

1. That approximately 3,000,000 motor vehicles are operated in interstate and intrastate commerce by private carriers of property;

2. That approximately 20 per cent of this total is used in transporting property in interstate or foreign commerce, which exceeds the number of motor vehicles operated by common and contract carriers in such commerce;

3. That under the same conditions the operation of a motor vehicle by a private carrier of property is as great a potential hazard to safety as the operation of a motor vehicle by a common or contract carrier and should be subjected to the same regulation;

4. That the several States do not impose the same regulations upon the operation of trucks by private carriers of property as they do upon trucks operated by common and contract carriers;

5. That 28 States do not in any way regulate or limit the hours of service of drivers of motor vehicles operated by private carriers of property;

6. That it is unsafe and in fact extremely hazardous to permit a fatigued driver to operate a truck upon the highways of the country and that the long hours which are dangerous are prevalent in the private carrier industry;

7. That a number of States permit boys of 16 years of age to drive trucks, and many States permit boys under 21 years of age to do so;

8. That it is dangerous to permit persons under 21 years of age to drive or operate motor trucks used in the transportation of property except those covered by finding No. 9. Many drivers of motor trucks, other than those covered by finding No. 9, operated by private carriers of property in interstate or foreign commerce are under 21 years of age.

9. That it is not dangerous to permit persons between the ages of 18 and 21 years to drive motor vehicles controlled and operated by any farmer and used in the transportation of his agricultural commodities and the products thereof, or in the transportation of supplies to his farm, when such motor vehicles do not exceed a gross weight, including the load, of 10,000 pounds. It is dangerous to permit persons under 18 years of age to drive motor trucks described in this finding and many drivers of such trucks are under 18 years of age.

10. That many States do not require trucks operated by private carriers of property to be equipped in a manner deemed necessary for the safe operation of such vehicles and for the protection of the public, and many trucks operated by private carriers of property are not so equipped;

11. That it is dangerous to permit individuals who are not in good physical condition to drive or operate trucks over highways where the traffic is heavy and exposure to accidents is great;

12. That based upon the specific findings hereinabove recommended there is need for Federal regulation of private carriers of property to promote safety of operation of motor vehicles used by such carriers in the transportation of property in interstate or foreign commerce;

13. That with the exceptions referred to in subsequent findings, the hours of service rules and regulations prescribed for drivers of common and contract carriers by our report and order in Ex Parte No. MC-2, 11 M.C.C. 203, a copy of which rules and regulations is attached hereto and made a part hereof, are reasonable requirements to promote safety of operation by private carriers of property, engaged in interstate or foreign commerce, and should be prescribed for such carriers;

14. That with the exceptions referred to in subsequent recommended findings, the safety rules and regulations prescribed by our report and order in Ex Parte No. MC-4, dated May 27, 1939, a copy of which rules and regulations is attached hereto and made a part hereof, are reasonable requirements to promote safety of operation by private carriers of property engaged in interstate or foreign commerce and should be prescribed for such carriers;

15. That motor vehicles controlled and operated by any farmer and used in the transportation of his agricultural commodities and products thereof or in the transportation of supplies to his farm, which vehicles are herein termed farm trucks, are operated under conditions substantially different from those under which motor vehicles are operated by other private carriers of property and by common and contract carriers;

16. That because of such different conditions, individuals between the ages of 18 and 21 years should be permitted to drive and operate farm trucks of a gross weight not in excess of 10,000 pounds (the vehicle and load both included). Rule 1.28 of the said safety rules and regulations prescribed by us under date of May 27, 1939, as so amended should be prescribed for private carriers of property operating farm trucks in interstate or foreign commerce;

17. That because of said conditions surrounding the operation of farm trucks, a physical examination should not be required for drivers of such trucks. Rule 1.31 of the safety rules and regulations prescribed by our said order of May 27, 1939, should not be prescribed for private carriers of property operating farm trucks in interstate or foreign commerce;

18. That because of said conditions surrounding the operation of farm trucks, Rule 2.36 of the safety rules and regulations prescribed by our said order of May 27, 1939, prohibiting the transportation of passengers upon trucks except, under certain conditions, should not be prescribed for private carriers of property operating farm trucks in interstate or foreign commerce;

19. That because of said conditions surrounding the operation of farm trucks, it is unreasonable to limit the hours of duty of a driver of a farm truck but his hours of driving should be limited to a total of 50 hours in any one week. Rule 3, paragraphs (a) and (b) of the hours of service rules and regulations prescribed by our report and order in Ex Parte No. MC-2, 11 M.C.C. 203, as so amended should be prescribed for private carriers of property operating farm trucks in interstate or foreign commerce;

20. That because of the conditions surrounding the operations of farm trucks, it is unreasonable to require the drivers of such trucks to keep a driver's log in the form required by our order of February 8, 1939; and Rule 5 (a) of our said hours of service regulations should not be prescribed for private carriers of property operating farm trucks in interstate or foreign commerce.

21. That, at the present time, it is not desirable to require private carriers of property to file reports as required by Part 4 of our said safety regulations and Rules 5(b) and 6(b) of our said hours of service regulations.

22. That because of the conditions under which work trucks of the type referred to in this report are operated, it is unreasonable to require drivers of such trucks to maintain a driver's log. Rule 5 of the hours of service rules and regulations should not be made applicable to such operations.

23. For the reasons stated in this report, it is not unsafe to permit a driver salesman who spends more than 50 percent of his time in driving and less than 50 percent in performing such duties as driving, loading and unloading, to be on duty for more than 60 hours in any week of 168 consecutive hours, if his hours of driving are limited to a total of not more than 40 in any such week. Rule 3(a) of the hours of service regulations prescribed by our report and order in Ex Parte No. MC-2 should not be made applicable to driver salesmen, and Rule 3(b) should be so amended as to limit the driving time of driver salesmen to not more than a total of 50 hours in any one week of 168 consecutive hours, and as so amended should be prescribed for private carriers of property operating motor vehicles driven by such driver salesmen.

24. For the reasons stated in this report, it is not unsafe to permit all stops within any one city, town or village to be counted as one stop in computing driving time, if the distance the motor vehicle is driven in any such city, town or village does not exceed 10 miles. Rule 1(d) of said hours of service regulations prescribed by our report and order in Ex Parte No. MC-2, 11 M.C.C. 203, as so amended shall be prescribed for private carriers of property.

Division 5 pointed out that the hours of service regulations apply solely to drivers employed by private carriers of property in interstate commerce. "This is necessarily so," the decision continues, "because no evidence was submitted in this case concerning the activities and hours of service of any other class or classes of employees. It may well be that the activities of some employees other than drivers likewise affect safety of operation of motor vehicles operated by private carriers of property and engaged in interstate and foreign commerce. If any private carriers of property or their employees believe that the activities of employees other than drivers affect the safety of operation of motor vehicles engaged in interstate or foreign commerce, they may file an appropriate petition and ask that a hearing be held and the question determined."

Commissioner Alldredge wrote a short dissent in which he expressed the belief that the commission should, for the present, concentrate its efforts on the promotion of safety of common and contract carriers and take care of the private carriers at a later date.

"It is impossible for me," he wrote, "to make a rational separation between the existence of any need for better regulation of private carriers of property in the interest of safety and our ability to fulfill such a need. It seems to me that there is no constructive purpose to be accomplished by displacing the jurisdiction of other agencies over this subject-matter, which will be a necessary legal effect of our entering the field, unless we are in a position to improve the situation. I do not believe we are in such a position at the present time. It seems to me that it would be better and more in conformity with the objectives which Congress had in mind when it passed the Motor Carrier Act,

1935, to concentrate our efforts toward the promotion of safety on the highways in connection with the operations of motor carriers for hire which have been unconditionally placed under our regulation. When we have made more progress in that field, then I think we might give attention to private carriers."

The proposed findings of fact of Examiner Snow were set forth in the *Railway Age* for August 5, 1939, page 223.

Construction

BALTIMORE & OHIO.—A contract has been awarded the Ogle Construction Company, Chicago, for the construction of coal and sand handling facilities and sand handling equipment at Ivorydale Terminal, Cincinnati, Ohio. The probable cost of this project is $25,000.

LONG ISLAND.—A contract has been awarded the Poirier & McLane Corporation, New York, for the construction of a subway on Atlantic avenue, Brooklyn, N. Y., at an approximate cost of $3,000,000.

NORTHERN PACIFIC.—A contract amounting to approximately $45,000 has been awarded J. W. Bailey, Seattle, Wash., for the construction of a combination frame and stucco depot and freight station 40 ft. by 160 ft., with a brick station platform and a brick island platform, including plumbing, drainage, heating system, etc.

Supply Trade

G. E. Hunt has been appointed to take charge of the **Cutler-Hammer, Inc.,** company's office, Indianapolis, Ind. Mr. Hunt previously served at various times in the Milwaukee, Philadelphia, Pa., and Cleveland, Ohio, sales offices of the company.

Cyrus L. Philipp, vice-president of the **General American Transportation Corporation,** Chicago, has been assigned to supervise the operations of the corporation's entire refrigerator and stock car fleet. Mr. Philipp will retain his office in Milwaukee, Wis., for direction of the **Union Refrigerator Transit** division, and also will have an office in the executive offices of General American, Chicago.

OBITUARY

Charles D. Batson, manager of the Mobile, Ala., plant of the Republic Creosoting Company, died in that city on May 7 after an extended illness.

Charles H. Johnson, executive vice-president and director of the Gisholt Machine Company, Madison, Wis., died on April 23 at the age of 58 years.

Equipment and Supplies

FREIGHT CARS

THE SOUTHERN has ordered 75 70-ton covered hopper cars from the Pullman-Standard Car Manufacturing Company.

THE PENNSYLVANIA has under construction at its Altoona, Pa., works 100 class H-30 covered hopper cars of 70 tons' capacity.

THE NASHVILLE, CHATTANOOGA & ST. LOUIS has ordered 50 covered hopper cars of 70 tons' capacity from the Pullman-Standard Car Manufacturing Company.

THE CHESAPEAKE & OHIO has ordered 100 50-ton flat cars from Pullman-Standard Car Manufacturing Company. Inquiry for this equipment was reported in the *Railway Age* of March 30, page 609.

THE CINCINNATI, NEW ORLEANS & TEXAS PACIFIC reported in the *Railway Age* of April 20, Page 726, as inquiring for 75 covered hopper cars of 70 tons' capacity has ordered this equipment from the Pullman-Standard Car Manufacturing Co.

SIGNALING

CHICAGO, ROCK ISLAND & PACIFIC.—An order has been placed with the Western Railroad Supply Company, Chicago, for 50 Model-10 flashing light—short-arm gate type signals, 6 "Unitrol" manual control panels with model boards, and 6 test circuit controllers operated by switch keys, as well as other accessories which are to be installed in an extensive highway-railroad crossing protection project located in the Illinois cities of Moline, East Moline, Carbon Cliff, Rock Island and Watertown.

THE ST. LOUIS-SAN FRANCISCO has placed an order with the Union Switch & Signal Company for automatic block signaling materials to be installed on 20 miles of single track line between Preston, Okla., and Henryetta, involving 25 Style "S" semaphore ground signals, with relays, switch circuit controllers, etc., as well as another order also with the Union Switch & Signal Co., covering the materials to install an all electric interlocking plant at a double track junction with two single track lines at Sapulpa, Okla. This interlocking layout involves four low voltage electric switch movements with necessary signals, relays, etc., the functions to be controlled by a Style B-30 machine located in the operator's room at the nearby passenger station. The field installation involved in all of this work will be carried out by the railway company's signal construction forces.

Financial

ANN ARBOR.—*Annual Report.*—The 1939 annual report of this road shows net deficit of $66,477 after interest and other charges, a decrease of $257,926 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	$3,964,804	+$496,446
TOTAL OPERATING EXPENSES	3,172,750	+228,414
NET REVENUE FROM OPERATIONS	792,053	+268,031
Railway tax accruals	262,645	+17,881
Railway operating income	529,407	+250,149
Net rents	160,845	–277
NET RAILWAY OPERATING INCOME	368,562	+250,426
Other income	16,648	–1,108
TOTAL INCOME	385,211	+249,318
Deductions	32,753	–4,296
Income Available for Interest	352,457	+253,615
Interest Charges	418,934	–4,310
NET DEFICIT	$66,477	–$257,926

ATLANTA, BIRMINGHAM & COAST.—*Annual Report.*—The 1939 annual report of this company shows net deficit of $102,492 after interest and other charges, a decrease of $71,305 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	$3,445,741	+$78,798
TOTAL OPERATING EXPENSES	3,025,022	–12,613
NET REVENUE FROM OPERATIONS	420,718	+91,412
Railway tax accruals	273,986	+4,552
Railway operating income	146,731	+86,859
Net Rents—Dr.	272,242	+20,101
NET RAILWAY OPERATING DEFICIT	125,511	–66,757
Other income	38,226	+2,218
TOTAL INCOME*	87,284	+68,976
Rent for leased roads	.....	–1,181
Interest on funded debt	491	–297
TOTAL FIXED CHARGES	12,285	–1,835
NET DEFICIT	$102,492	–$71,305

* Deficit.

BOSTON TERMINAL.—*Old Colony's Reorganization Plan.*—The Old Colony has submitted to the Interstate Commerce Commission and the federal district court in Massachusetts a plan of reorganization for this company under section 77 of the Bankruptcy Act. Under the proposed plan there would be issued $7,577,500 of first mortgage three per cent bonds due January 1, 1990, to be exchanged for $15,155,000 of first mortgage bonds outstanding. Also the terminal company would issue 250 shares of capital stock with a par value of $100 to be exchanged for the old capital stock on the basis of one share

of the new for each 20 shares of the old, with the provision that no dividends were to be paid until all of the new bonds have been paid in full or cancelled and that the stock cannot be transferred or disposed of without prior consent of the trustees of the company.

CHICAGO & EASTERN ILLINOIS.—*New Directors.*—The following men have been named members of the new board of directors of this road which is completing its reorganization: Roger C. Hyatt, vice-president of the Continental Illinois National Bank and Trust Company, Chicago; Frank O. Watts, chairman of the First National Bank, St. Louis, Mo.; John W. Barriger III, chief examiner of the railroad division of the Reconstruction Finance Corporation; Robert L. Hoguet, president of the Emigrant Industrial Bank, New York; Barrett Wendell, Jr., of the Lee Higginson Corporation; Eugene J. Conroy, assistant solicitor of the Prudential Insurance Company; William B. Fowler, associated with the Prudential Insurance Company at Chicago; Kenneth D. Steere, chairman of the present board; Charles T. O'Neal, president of the old company; Will H. Hays; Joseph B. Graham and Robert C. Graham. The five last named men are now members of the old board. Another director will be chosen at a later date.

CHICAGO, ROCK ISLAND & PACIFIC.—*Abandonment.*—The White & Black River Valley, the Choctaw, Oklahoma & Gulf, and this company have asked the Interstate Commerce Commission for authority to abandon a line of railroad owned by the White & Black River Valley extending from Newport, Ark., to Brinkley, 53 miles. Authority is also sought to abandon a branch extending from Wiville, Ark., to Gregory, 5.9 miles.

CHICAGO, ROCK ISLAND & PACIFIC.—*Annual Report.*—The annual report of this road and its subsidiary companies for the year ended December 31, 1939, shows net deficit of $8,337,547 after interest and other charges, a decrease of $3,054,073 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	$78,467,817	+$690,010
TOTAL OPERATING EXPENSES	63,009,281	−1,857,777
NET REVENUE FROM OPERATIONS	15,458,536	+2,547,787
Railway tax accruals	5,507,432	−232,470
Railway operating income	9,951,103	+2,780,258
Hire of Equipment	5,583,188	−229,397
Joint facility rents	1,090,938	−63,646
NET RAILWAY OPERATING INCOME	5,458,853	+2,946,009
Other income	540,327	−7,910
TOTAL INCOME	5,999,180	+2,938,099
Interest and other Charges	14,336,728	−115,973
NET DEFICIT	$8,337,547	+$3,054,073

CHICAGO, ROCK ISLAND & PACIFIC.—*Certificates of Indebtedness.*—This company has asked the Interstate Commerce Commission for authority to issue $4,500,000 of 2½ per cent certificates of indebtedness to replace a like amount now outstanding which carry a rate of three per cent. The certificates would be dated June 1, 1939, and would mature June 1, 1941. The holders of all the outstanding certificates have indicated that they are willing to reduce the interest rate providing that the trustees forego the option to redeem the certificates prior to maturity.

EAST ST. LOUIS JUNCTION.—*Lease and Operation.*—This company has asked the Interstate Commerce Commission for authority to lease and operate certain feeding facilities of the St. Louis National Stockyards in East St. Louis, Ill.

GEORGIA SOUTHERN & FLORIDA.—*Annual Report.*—The 1939 annual report of this company shows net deficit of $169,627 after interest and other charges, a decrease of $97,025 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	$2,309,591	+$248,485
Maintenance of way	378,805	+25,374
Maintenance of equipment	434,333	+6,553
Transportation	984,592	+60,311
TOTAL OPERATING EXPENSES	1,899,642	+88,700
Operating ratio	82.25	−5.61
NET REVENUE FROM OPERATIONS	409,949	+159,784
Taxes	177,910	−8,374
Hire of Equipment	99,444	+78,210
Joint facility rents	13,816	+961
NET RAILWAY OPERATING INCOME	118,777	+88,989
Other income	8,252	+677
TOTAL GROSS INCOME	127,030	+89,666
Interest on funded debt	291,070	−2,455
TOTAL DEDUCTIONS FROM GROSS INCOME	296,658	−7,535
NET DEFICIT	$169,627	−$97,025

GREAT NORTHERN.—*Refinancing.*—This road has applied to the Interstate Commerce Commission for approval of the plan whereby the Reconstruction Finance Corporation would purchase at par $20,000,000 of collateral trust four per cent bonds, the proceeds together with other money supplied by the applicant to be applied to the redemption of approximately $28,132,000 of St. Paul, Minneapolis & Manitoba Company Pacific Extension four per cent bonds due July 1. Of the $20,000,000 of collateral trust bonds, $7,000,000 would mature serially, $500,000 on each July 1, 1941 to 1946, and $800,000 on each July 1, 1947 to 1951. The remaining $13,000,000 would mature January 1, 1952. Meanwhile the issue would be callable in whole or in part on any interest date at varying amounts ranging down from 105.

MISSOURI PACIFIC. — *Reorganization.*—June 3 has been set by the district court as the last day for filing objections to the reorganization plan which has been certified by the Interstate Commerce Commission. It also set that date as the last for filing petitions seeking compensation and expenses. A hearing on objections to the plan will be held on July 9.

MINNEAPOLIS & ST. LOUIS.—*Annual Report.*—The 1939 annual report of this road shows net income of $981,562 after interest and other charges, an increase of $328,935 as compared with net income in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	$9,215,137	+$135,460
TOTAL OPERATING EXPENSES	7,094,651	−192,514
Operating ratio	76.99	−3.27
NET REVENUE FROM OPERATIONS	2,120,485	+327,975
Railway tax accruals	559,199	+9,999
Railway operating income	1,561,285	+317,975
Hire of Equipment—Net Dr.	489,986	+24,717
Joint facility rents—Net Dr.	24,713	+24,263
NET RAILWAY OPERATING INCOME	1,046,585	+366,956
Other income	69,923	−755
GROSS INCOME	1,116,508	+366,201
Interest on Debt and Other Deductions from Income	134,946	+37,265
NET INCOME	$981,562	+$328,935

MISSOURI-KANSAS-TEXAS.—*Annual Report.*—The 1939 annual report of this company shows net deficit of $3,499,564 after interest and other charges, a decrease of $349,602 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage Operated	3,293.91	.....
RAILWAY OPERATING REVENUES	$28,170,695	+$312,965
Maintenance of way	3,945,679	−13,752
Maintenance of equipment	4,805,256	+296,132
Transportation	10,684,067	−357,293
TOTAL OPERATING EXPENSES	22,320,830	−83,150
Operating ratio	79.23	−1.19
NET REVENUE FROM OPERATIONS	5,849,865	+396,115
Railway tax accruals	2,394,491	−1,821
Railway operating income	3,455,373	+397,937
Net Rents—Dr.	2,171,165	+48,763
NET RAILWAY OPERATING INCOME	**1,284,208**	**+418,471**
Other income	359,762	+35,432
TOTAL INCOME	1,643,970	+453,904
Rent for leased roads and equipment	23,850	+3,846
Interest on funded debt	4,354,472	+104,787
TOTAL FIXED CHARGES	4,390,943	+100,485
INCOME AFTER FIXED CHARGES	2,820,685	−349,602
Contingent Charges: Int. on Adj. Bonds	678,878	.....
NET DEFICIT	$3,499,564	−$349,602

NEW YORK CENTRAL.—*Abandonment by the Beech Creek.*—The Beech Creek and the New York Central, respectively, have been authorized by Division 4 of the Interstate Commerce Commission to abandon a line and the operation of a line extending from Wynn, Pa., to Mitchells, two miles.

NEW YORK, SUSQUEHANNA & WESTERN.—*Annual Report.*—The 1939 annual report

of this road shows net deficit of $315,924 after interest and other charges, a decrease of $229,846 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
Railway Operating Revenues	$3,005,614	+$47,719
Total Operating Expenses	1,998,516	−31,859
Operating ratio	66.49	−2.15
Net Revenue from Operations	1,007,097	+79,578
Railway tax accruals	351,687	−56,812
Railway operating income	655,410	+136,390
Net rents—Dr.	391,073	−79,119
Net Railway Operating Income	264,337	+215,510
Other income	74,369	+9,623
Total Income	338,706	+225,134
Misc. Deductions from income	6,339	−5,444
Total income available for fixed charges	332,367	+230,578
Fixed Charges	648,292	+732
Net Deficit	$315,924	−$229,846

Railway Express Agency.—*Ratification of Appointment of Director.*—Frank J. Gavin, president of the Great Northern, has been authorized by Division 4 of the Interstate Commerce Commission to hold the position of director of this company.

Seaboard Air Line.—*Annual Report.*—The 1939 annual report of this company shows net deficit of $5,556,555 after interest and other charges, a decrease of $2,033,606 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
Railway Operating Revenues	$44,163,419	+$4,153,676
Total Operating Expenses	36,493,167	+2,309,640
Railway tax accruals	2,848,110	−463,845
Railway operating income	4,822,141	+2,307,881
Hire of Equipment—Net Dr.	1,037,164	+157,119
Joint facility rents—Net Dr.	190,605	+5,878
Net Railway Operating Income	3,594,370	+2,144,884
Other income	337,343	+22,105
Total Gross Income	3,931,713	+2,166,990
Rent and other Charges	609,928	−3,124
Fixed Interest Charges	8,878,340	+136,508
Total Deductions from Gross Income	9,488,269	+133,383
Net Deficit	$5,556,555	−$2,033,606

Union Pacific.—*Bonds.*—This company has asked authority from the Interstate Commerce Commission to issue $81,602,000 of refunding mortgage bonds, series A, maturing June 1, 1980, and bearing interest from June 1, 1940, at the rate of 3½ per cent. The proceeds will be used for the payment of $85,902,000 of first lien and refunding mortgage bonds due June 1, 2008, of which $65,902,000 are in the hands of the public, and $14,098,000 are held in the company's treasury, with the company supplying the balance of $4,300,000. These bonds will be called September 1, 1940.

Operation.—This company has asked the Interstate Commerce Commission for authority to operate, under trackage rights, over a portion of a single line track of the Illinois Central for 3,970 ft., and over 2,650 ft. and 965 ft., respectively, of side tracks in Council Bluffs, Iowa.

Wabash.—*Annual Report.*—The 1939 annual report of this road shows net deficit of $3,542,183 after interest and other charges, a decrease of $2,585,706 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
Railway Operating Revenues	$44,662,526	+$4,190,199
Total Operating Expenses	34,245,139	+1,790,618
Operating ratio	76.68	−3.51
Net Revenue from Operations	10,417,386	+2,399,580
Railway tax accruals	2,570,428	−32,927
Railway operating income	7,846,957	+2,432,507
Net rents	4,287,711	+170,751
Net Railway Operating Income	3,559,246	+2,261,756
Other income	434,542	+79,840
Total Income	3,993,788	+2,341,596
Deductions	465,324	−66,243
Income Available for Interest	3,528,463	+2,407,840
Interest Charges	7,070,647	−177,865
Net Deficit	$3,542,183	−$2,585,706

Western Maryland.—*Annual Report.*—The 1939 annual report of this road shows net income of $1,562,101 after interest and other charges, an increase of $1,106,640 as compared with net income in 1938. Selected items from the income statement follow:

	1939	Increase or Decrease Compared with 1938
Railway Operating Revenues	$16,518,179	+$2,892,515
Total Operating Expenses	10,850,368	+1,577,746
Operating ratio	65.69	−2.36
Net Revenue from Operations	5,667,810	+1,314,769
Railway tax accruals	1,011,669	+169,100
Railway operating income	4,656,141	+1,145,668
Hire of Equipment—Net	271,371	+2,801
Joint facility rents—Net	151,543	+15,934
Net Railway Operating Income	4,775,969	+1,132,535
Other income	104,235	−24,217
Gross Income	4,880,204	+1,108,318
Rent for leased roads	539,374	−3,088
Interest on funded debt	2,661,341	−2,659
Total Deductions from Gross Income	3,318,103	+1,677
Net Income	$1,562,101	+$1,106,640

Average Prices of Stocks and Bonds

	May 7	Last week	Last year
Average price of 20 representative railway stocks..	31.88	31.55	....
Average price of 20 representative railway bonds..	59.28	59.87	....

Railway Officers

EXECUTIVE

R. E. Kendrick has been appointed assistant to president of the Napierville Junction, with headquarters as before at Montreal, Que. He will also continue as secretary of the railroad.

L. B. Allen, assistant to the executive vice-president of the Chesapeake & Ohio lines and **W. H. Wenneman,** assistant to the chairman of the board of the C. & O., have been promoted to assistant to the president of the Chesapeake & Ohio lines, including the New York, Chicago & St. Louis (Nickel Plate) and the Pere Marquette, with headquarters as before at Cleveland, Ohio.

Champion McD. Davis, whose election as executive vice-president of the Atlantic Coast Line and vice-president of the Columbia, Newberry & Laurens was announced in the *Railway Age* of April

Champion McD. Davis

27, was born on July 1, 1879, near Hickory, N. C. He entered railway service in March, 1893, as messenger in the freight office of the Wilmington & Weldon (now part of the Atlantic Coast Line) at Wilmington, N. C. He later served consecutively to July, 1902, in various clerical positions in the local freight office, clerk in the freight claim department, clerk in the passenger traffic department, rate clerk in the freight traffic department, and chief rate clerk in the same department. From July, 1902, to January, 1906, he was chief clerk in the traffic department, he was then appointed assistant general freight agent in charge of the rate and tariff bureau. In November, 1911, he was appointed general freight agent of the Atlantic Coast Line, lines South of Charleston, S. C., and five years later he was appointed general freight agent of the entire system, with headquarters at Wilmington. He was a member of the Southern Freight Traffic Committe, United States Railroad Administration, from May, 1918, to February, 1920, and from March to December, 1920, he was a member of the Southern Freight Rate

Committee, Southern Carriers. In January, 1921, he was promoted to assistant freight traffic manager of the Atlantic Coast Line and in August, 1925, he was further promoted to freight traffic manager. In December, 1928, Mr. Davis was appointed vice-president, which position he held at the time of his present appointment. Mr. Davis has also been elected vice-president of the Charleston & Western Carolina.

Frank D. Beale, whose promotion to assistant vice-president—assistant to the president of the Chesapeake & Ohio, with headquarters at Cleveland, Ohio, was announced in the *Railway Age* of April 6, was born at Fredericksburg, Va., on November 4, 1890, attended Fredericksburg College and graduated in civil engineering from the University of Virginia in 1915. From July, 1908, to January, 1910, he was employed by the U. S. Government as a rodman, and on the latter date he entered railway service as an instrumentman on the Florida Railway (now abandoned), later becoming an assistant engineer. He left railway service to attend the University of Virginia, and, following graduation, entered the service of the C. & O. in October, 1915, as an assistant section foreman. In August, 1916, he was promoted to assistant supervisor of track and later was appointed acting division engineer of the Clifton Forge division. In May, 1917, he was promoted to division engineer of that division, with headquarters at Clifton Forge, Va. During the war Mr. Beale served with the 314th field artillery, returning to his former position on the C. & O. in July, 1919. In February, 1924, he was promoted to trainmaster on the Richmond division and in November, 1924, he was transferred to Clifton Forge. He was further advanced to superintendent of the Richmond division, with headquarters at Richmond, Va., in March, 1926, and on May 1, 1930, he was promoted to assistant general superintendent, with headquarters at Huntingdon, W. Va., the position he held until his recent promotion.

FINANCIAL, LEGAL AND ACCOUNTING

C. M. Gordon, assistant to general auditor of the Pittsburgh & Lake Erie and the Lake Erie & Eastern, has been appointed general auditor, with headquarters as before at Pittsburgh, Pa., replacing **B. B. Rankin,** who has been granted an extended leave of absence due to ill health. **P. F. Kraber** has been appointed auditor of disbursements, succeeding **J. P. Glaser,** who has been appointed assistant general auditor, both have headquarters as before at Pittsburgh.

Jose Ramirez Gamez, whose promotion to general auditor of the National Railways of Mexico was announced in the *Railway Age* of March 23, was born at Piedras Negras, Coah., on February 28, 1895. He attended the General Zaragoza Commerce Academy in 1908, and took the course in higher accounting of the LaSalle Extension University, Chicago, in 1909. Mr. Gamez entered railway service on April 10, 1909, and served in different positions in the mechanical and traffic departments of the National Railways of Mexico. In December, 1914, he became secretary to the traffic manager, and from November,

Jose Ramirez Gamez

1915, to May, 1920, he served in various positions, becoming chief clerk in the accounting department. On the latter date, he was promoted to auditor of passenger receipts and in November, 1936, he was advanced to assistant to the general auditor, the position he held until his recent promotion.

Frederick O. Linstead, whose promotion to treasurer of the Chicago & North Western, with headquarters at Chicago, was announced in the *Railway Age* of May 4, was born in Chicago on July 29, 1895, and attended the University of Chicago Business College. He entered railway service on March 2, 1912, as a clerk in the statistical department of the North Western at Chicago and later served as a clerk in the accounting and treasury departments. On November 1, 1917, he was promoted to assistant cashier in the treasury department and on May 1, 1920, he was appointed also assistant paymaster. Four months later he was advanced to cashier and assistant paymaster and on June 9, 1924, he was appointed assistant

Frederick O. Linstead

to the local treasurer. Mr. Linstead was promoted to assistant local treasurer on July 1, 1932, and to local treasurer, with headquarters at Chicago, on May 17, 1933. His appointment as treasurer was effective May 1.

L. C. Gardner, assistant general claim agent of the Norfolk & Western, has been appointed general claim agent, with headquarters at Roanoke, Va., succeeding **John B. Baskerville,** who has retired after nearly 46 years with this road. **L. C. Yates,** claim adjuster at Portsmouth, Ohio, has been promoted to assistant claim agent, casualty, with headquarters at Roanoke, a newly created position. Mr. Baskerville was born on April 21, 1870, in Pulaski county, Va. He began railway service in November, 1887, as an assistant agent on the Norfolk & Western, and in 1889, he was appointed a deputy collector in the United States Internal Revenue service, a position he held until 1896. During his service as a deputy revenue collector, Mr. Baskerville studied law and was admitted to the bar in 1895. In 1896, he re-entered the employ of the Norfolk & Western, and served consecutively as telegraph operator, train dispatcher and cashier until 1899, when he was appointed assistant auditor of the Virginia & South Western (a subsidiary of the Southern). From 1900 to 1905, he served as traveling

John B. Baskerville

auditor of the Norfolk & Western and from 1905 to 1906, he was chief clerk in the claim department. He was then promoted to assistant claim agent, and in 1913 he became acting general claim agent. The following year he was appointed assistant general claim agent, a position he held until his promotion to general claim agent in October, 1926. Mr. Baskerville has served for years as general chairman of the System Better Service Conference. From 1915 to 1923 he was chairman of the committee on freight claim prevention in the American Railway Association (now the A. A. R.). He was made chairman of the freight claim division of the association in 1923.

Ernest Melander, whose promotion to treasurer of the Chicago, St. Paul, Minneapolis & Omaha, with headquarters at St. Paul, Minn., was announced in the *Railway Age* of May 4, was born in St. Paul on June 2, 1883, and attended Johnson School and Globe Business College. He entered railway service on September 16, 1897, as a clerk in the office of the division superintendent of the Omaha at St.

Paul and four years later he was promoted to a clerical position in the office of the local treasurer. On December 1, 1911,

Ernest Melander

he was advanced to chief clerk to the local treasurer and on January 26, 1927, he was appointed assistant local treasurer. Mr. Melander was further advanced to local treasurer on January 1, 1938, the position he held until his recent promotion which was effective May 1.

OPERATING

O. H. Newman has been appointed trainmaster of the Union Pacific, with headquarters at La Grande, Ore.

F. P. Connolly, superintendent of operations of the Napierville Junction, with headquarters at Rouses Point, N. Y., has been transferred to Montreal, Que.

T. B. Ollis has been promoted to assistant superintendent of transportation of the Southern Pacific, with headquarters at Houston, Tex., to succeed **R. R. Unzicker,** deceased.

C. S. Scott, assistant chief dispatcher on the Illinois Central at Carbondale, Ill., has been promoted to trainmaster at that point, succeeding **C. Wall,** who has been assigned to other duties.

F. E. Taylor, assistant trainmaster of the Pocahontas division of the Norfolk & Western, has been promoted to terminal trainmaster at Cincinnati, Ohio, a newly created position.

C. G. Grove, superintendent of the Panhandle division of the Pennsylvania, has been appointed superintendent of the Pittsburgh, Chartiers & Youghiogheny, with headquarters at Pittsburgh, Pa.

M. C. Coad, special assistant-personnel, of the Missouri Pacific, will assume the duties of **C. A. Clements,** assistant general manager, with headquarters as before at St. Louis, Mo. Mr. Clements has been granted a 90-day leave of absence.

D. C. Gough, assistant superintendent on the Canadian National at Prince Albert, Sask., has been promoted to superintendent, with headquarters at Kamloops, B. C. **C. J. Dunn,** assistant superintendent at Rainy River, Ont., has been transferred to Winnipeg, succeeding **W. G. Cunningham,** whose promotion to superintendent, with headquarters at Dauphin, Man., was announced in the *Railway Age* of March 30.

E. M. Hopkins has been promoted to supervisor of scales of the Missouri-Kansas-Texas, with headquarters at Denison, Tex., to succeed **R. S. Burnside,** who has retired at his own request because of ill health.

M. E. Pangle, director of personnel and formerly assistant to the president of the Chicago & North Western, with headquarters at Chicago, has retired and **Guy F. Stephens,** assistant director of personnel, has been promoted to director of personnel, succeeding Mr. Pangle.

K. K. Stokes, special representative to the chief operating officer of the Chicago, Rock Island & Pacific, has been appointed superintendent of refrigerator service with headquarters as before at Chicago, succeeding **H. A. Huber,** who retired on May 1.

E. G. Whitman, maintenance engineer of the Minneapolis, St. Paul & Sault Ste. Marie, with headquarters at Minneapolis, Minn., has been promoted to transportation assistant, reporting to the general superintendent, with the same headquarters, and has been succeeded by **L. V. Johnson,** assistant engineer.

E. E. Schlottman, general foreman on the Illinois Central at McComb, Miss., has been promoted to trainmaster, with headquarters at Hattiesburg, Miss., succeeding **A. G. Gebhard,** who has been transferred to Jackson, Miss. Mr. Gebhard replaces **E. L. McLaurine,** whose death on April 22 is announced elsewhere in these columns.

J. M. Munnings, trainmaster on the Grand Trunk Western at Pontiac, Mich., has been promoted to operating inspector, with headquarters at Detroit, Mich., succeeding **C. E. Sherman,** who has been assigned to other duties. **Harry J. Rice,** general yardmaster at Pontiac, has been advanced to trainmaster at that point, relieving Mr. Munnings.

Harold M. Turner, chief dispatcher on the Union Pacific at Portland, Ore., has been promoted to superintendent of car service of the Northwestern district, with headquarters at Portland, succeeding **Perry J. Lynch,** whose promotion to superintendent of transportation, with headquarters at Omaha, Neb., was announced in the *Railway Age* of April 6.

Alberto Olivares V. has been appointed superintendent of the Torreon division of the National Railways of Mexico, with headquarters at Torreon, Coah., succeeding **Alberto M. Bribiesca,** who has been transferred to the Queretaro division, with headquarters at Mexico, D. F. Mr. Bribiesca replaces **Severino Trejo Luna,** who has been appointed relief superintendent.

K. C. Shults has been appointed trainmaster on the Southern, with headquarters at Oakdale, Tenn., succeeding **R. C. Wilson,** who has been transferred to Louisville, Ky., relieving **E. L. Dunbar,** who has been transferred to Huntingburg, Ind. Mr. Dunbar replaces **C. W. Pates,** who has been transferred to Danville, Ky., succeeding **W. W. Simpson,** whose promotion to superintendent, with headquarters at Selma, Ala., was announced in the *Railway Age* of April 27.

C. J. Dunn, assistant superintendent of the Canadian National at Rainy River, Ont., has been transferred to the Portage-Brandon division, with headquarters at Fort Rouge, Man., succeeding **W. G. Cunningham,** promoted. **E. V. Snell,** acting general agent of the Thousand Islands Railway, with headquarters at Gananoque, Ont., has been appointed assistant superintendent of the Niagara, St. Catherines and Toronto, with headquarters at St. Catherines, Ont.

Effective May 1, the Black Hills and the Wyoming divisions of the Chicago & North Western were consolidated and will be known as the Black Hills division. **Harley Thayer,** superintendent, with headquarters at Chadron, Neb., continues as superintendent of the new Black Hills division, with the same headquarters, and **W. L. Mueller,** division superintendent at Casper, Wyo., has been appointed assistant superintendent, with the same headquarters.

J. F. Sainsbury, trainmaster on the Chicago & North Western at Mason City, Iowa, has been transferred to Boone, Iowa, succeeding **Elmer Terrill,** whose promotion to superintendent of the Northern Iowa division, with headquarters at Mason City was announced in the *Railway Age* of May 4. **B. R. Meyers,** trainmaster at Madison, Wis., has been transferred to Mason City, succeeding Mr. Sainsbury, and **James H. Kline,** assistant trainmaster at Madison, has been promoted to trainmaster at that point, succeeding Mr. Meyers.

C. S. Cravens, superintendent of the Middle division of the Atchison, Topeka & Santa Fe, with headquarters at Newton, Kan., has been appointed special representative of the general manager, with headquarters at Topeka, and has been succeeded by **C. D. Notgrass,** superintendent of the Illinois and Missouri division at Chillicothe, Ill., who in turn has been succeeded by **H. G. Arnold,** superintendent of the Eastern division at Emporia, Kan. **A. B. Enderle,** trainmaster of the Missouri division at Marceline, Mo., has been promoted to superintendent to replace Mr. Arnold, and has been succeeded by **O. D. Crill. G. R. Buchanan,** acting superintendent of the Southern Kansas division at Chanute, Kan., has been made superintendent. **H. G. Wood,** acting trainmaster of the Southern Kansas division at Chanute, has been appointed trainmaster.

Elmer Terill, trainmaster on the Chicago & North Western at Boone, Iowa, has been promoted to superintendent of the Northern Iowa division, with headquarters at Mason City, Iowa, succeeding **Martin J. Boyle,** who retired on May 1.

Mr. Boyle entered railway service on the North Western in 1887 as a water boy. In 1894, he became a station service clerk and later a telegraph operator. He was

promoted to train dispatcher in 1904, and in 1906 to night chief dispatcher. In 1910, he was advanced to trainmaster, and the following year he was promoted to assistant superintendent at Winona, Minn. Mr. Boyle was further advanced to superintendent of the old Minnesota division, with headquarters at Winona, in 1913, and in August, 1931, when that division was abolished, he was transferred to the Northern Iowa division, with headquarters at Mason City, where he remained until his retirement on April 30.

Alfred R. Pelnar, whose retirement as general superintendent of freight terminals of the Chicago & North Western, with headquarters at Chicago, was announced in the *Railway Age* of May 4, entered the service of the North Western on July 4, 1895, as an agent-telegrapher at Madison, Wis., later being promoted successively to dispatcher and chief dispatcher at Baraboo, Wis., trainmaster at Madison and transportation inspector at Chicago. In February, 1922, he was advanced to assistant superintendent of the Iowa division, with headquarters at Clinton, Iowa. He was later transferred to Boone, Iowa, and to Chicago, and still later was appointed assistant to the general manager at Chicago. In June, 1928, Mr. Pelnar was promoted to general superintendent of freight terminals, with headquarters at Chicago, the position he held until his retirement on May 1.

James P. Newell, Jr., whose promotion to superintendent of the Logansport division of the Pennsylvania, with headquarters at Logansport, Ind., was announced in the *Railway Age* of April 13, was born at Carthage, Mo., on September 18, 1902, and was graduated from Princeton University in 1924. He entered railway service in 1927 as an assistant on the engineering corps of the Pittsburgh division of the Pennsylvania, and the following year he was promoted to assistant supervisor of track at Sharpsburg, Pa. In December, 1928, he was transferred to Carnegie, Pa., and in July, 1929, he was promoted to supervisor of track on the Buffalo division, with headquarters at East

James P. Newell, Jr.

Aurora, N. Y. Mr. Newell later served as supervisor of track on the E. & A., Pittsburgh, Middle and Maryland divisions, being located at Wilmington, Del., in May, 1934, when he was promoted to assistant division engineer of the Middle division, with headquarters at Altoona, Pa. In July, 1937, he was transferred to the office of the vice-president, operation, at Philadelphia, Pa., and in March, 1938, he was advanced to division engineer of the Long Island railroad, with headquarters at Jamaica, N. Y., the position he held until his recent promotion, which was effective April 11.

William K. Hallett, whose resignation as general manager of the Bangor & Aroostook was announced in the *Railway Age* of April 27, was born on March 15, 1873, at Nashwaaksis, N. B. Mr. Hallett entered railway service in 1893, as a telegrapher and station agent on the Canada Eastern (now C. N. R.), serving in this capacity until 1894, when he became telegrapher on the Bangor & Aroostook. In 1896, he was appointed train dispatcher for the same road, becoming chief clerk to the superintendent in 1898. He was promoted to assistant superintendent in

William K. Hallett

1903 and to superintendent in 1905. Mr. Hallett was appointed general superintendent in 1919, and became general manager of the road in 1920.

TRAFFIC

A. D. Satterwhite, agent of the Railway Express Agency at Charlotte, N. C., has been transferred in the same capacity to Washington, D. C.

C. J. Harbeke, perishable freight agent for the Denver & Rio Grande Western, at Los Angeles, Cal., has been promoted to general agent at San Francisco, succeeding **G. W. Rooney,** deceased.

Salvador J. Romero, former general manager of the National Railways of Mexico, has been appointed superintendent of a newly created tourist department, with headquarters at Mexico, D. F.

Clarence Giles, traffic representative for the Grand Trunk Western and the Canadian National at Chicago, has been promoted to coal traffic agent, with headquarters at Detroit, Mich., succeeding **Hugh H. Hamill,** who retired on May 1.

Raymond T. Anderson, whose promotion to general passenger agent on the Atchison, Topeka & Santa Fe, with headquarters at Topeka, Kan., was announced in the *Railway Age* of March 30, was born at Carrollton, Mo., on September 3, 1895, and attended business college in St.

Raymond T. Anderson

Joseph, Mo. He entered railway service on January 1, 1914, in station work on the Santa Fe at Dodge City, Kan., and was later transferred to Kansas City, Mo. In March, 1917, he was transferred to the superintendent's office at Dodge City, and from July, 1918, to December, 1918, he served in the U. S. Army. He returned to the Santa Fe on the latter date, in the superintendent's office at Las Vegas, N. M., and later served at Slaton, Tex., and Dodge City. In November, 1926, Mr. Anderson was appointed traveling agent at Boston, Mass., and in December, 1937, he was promoted to division passenger agent at Denver, Colo., the position he held until his recent promotion, which was effective April 1.

F. P. Nelson, general freight agent of the Canadian National, has been appointed assistant freight traffic manager, with headquarters as before at Toronto, Ont., succeeding **R. E. Perry,** who has retired. Mr. Nelson entered railway service in 1896 as messenger in the transportation department of the Grand Trunk at Hamilton, Ont., rising through successive positions to that of traveling freight agent at that point in 1907. For the past 33 years he has been identified with the freight traffic department at Toronto, Hamilton and North Bay, Ont., holding various positions such as soliciting freight agent, traveling freight agent, city freight agent and district freight agent. On January 1, 1940, Mr. Nelson was appointed general freight agent, with headquarters at Toronto, which position he relinquished at the time of his recent appointment.

Mr. Perry was born at Drayton, Ont., in 1876 and entered railway service in the Canadian Pacific's local freight office at Toronto in 1891. He resigned in 1898 to become clerk in the traffic department of the Intercolonial (now Canadian National), at Montreal, Que. In May, 1903, he became chief clerk, being promoted to assistant general freight agent in 1909. He was transferred in the latter capacity to Moncton, N. B., in 1914, returning to Montreal in 1919, as assistant general

(*Railway Officers Continued on page 845*)

UNION PACIFIC RAILROAD COMPANY

Forty-Third Annual Report — Year Ended December 31, 1939

TO THE STOCKHOLDERS OF UNION PACIFIC RAILROAD COMPANY:

The Board of Directors submits the following report for the year ended December 31, 1939, of the operations and affairs of the Union Pacific Railroad Company, including lines leased from Oregon Short Line Railroad Company, Oregon-Washington Railroad & Navigation Company, Los Angeles & Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company. The lessor companies have certain income and charges, and the figures in the Income Account, other than those relating to transportation operations, and in the Profit and Loss Account and General Balance Sheet and tabulations and tables relating thereto are stated on a consolidated basis, *excluding offsetting accounts between the companies except as otherwise noted.*

Income

The operated mileage at close of year and income for the year 1939, compared with 1938, were as follows:

	1939	1938	INCREASE	DECREASE
Operated Mileage at Close of Year				
Miles of road	9,897.95	9,903.86	.....	5.91
Miles of additional main track	1,537.91	1,542.52	.....	4.61
Miles of yard tracks and sidings	4,288.85	4,270.88	17.97	
Total Mileage Operated	15,724.71	15,717.26	7.45	
Transportation Operations				
Operating revenues	$164,253,371.47	$150,213,214.05	$14,040,157.42	
Operating expenses	117,858,588.04	105,731,151.07	12,127,436.97	
Revenues over expenses	$46,394,783.43	$44,482,062.98	$1,912,720.45	
Taxes	16,287,608.07	15,293,994.56	993,613.51	
Railway Operating Income	$30,107,175.36	$29,188,068.42	$919,106.94	
Rents from use of joint tracks, yards, and terminal facilities	1,743,685.81	1,742,834.54	851.27	
	$31,850,861.17	$30,930,902.96	$919,958.21	
Hire of equipment—debit balance	$9,220,088.41	$8,644,167.12	$575,921.29	
Rents for use of joint tracks, yards, and terminal facilities	2,397,584.77	2,419,344.40	.....	$21,759.63
	$11,617,673.18	$11,063,511.52	$554,161.66	
Net Income from Transportation Operations	**$20,233,187.99**	**$19,867,391.44**	**$365,796.55**	
Income from Investments and Sources other than Transportation Operations				
Income from oil operations in Southern California—net	$4,384,176.05	$4,713,899.76	.....	$329,723.71
Dividends on stocks owned	4,875,501.25	4,506,670.55	$368,830.70	
Interest on bonds, notes, and equipment trust certificates owned	3,023,725.60	3,300,297.22	.....	276,571.62
Interest on loans and open accounts—balance	44,417.70	65,660.73	.....	21,243.03
Rents from lease of road and equipment	200,804.80	223,188.71	.....	22,383.91
Miscellaneous rents	328,624.59	333,970.08	.....	5,345.49
Miscellaneous income	723,125.04	479,657.78	243,467.26	
Total	$13,580,375.03	$13,623,344.83	.....	$42,969.80
Total Income	$33,813,563.02	$33,490,736.27	$322,826.75	
Fixed and Other Charges				
Interest on funded debt	$14,221,975.97	$14,263,258.04	.....	$41,282.07
Miscellaneous rents	42,963.84	28,038.71	$14,925.13	
Miscellaneous charges	581,991.71	498,206.00	83,785.71	
Total	$14,846,931.52	$14,789,502.75	$57,428.77	
Net Income from All Sources	**$18,966,631.50**	**$18,701,233.52**	**$265,397.98**	
DISPOSITION OF NET INCOME				
Dividends on Stock of Union Pacific Railroad Co.:				
Preferred stock:				
2 per cent paid April 1, 1939 — $1,990,862.00				
2 per cent paid October 2, 1939 — 1,990,862.00	$3,981,724.00	$3,981,724.00		
Common stock:				
1½ per cent paid April 1, 1939 — $3,334,365.00				
1½ per cent paid July 1, 1939 — 3,334,365.00				
1½ per cent paid October 2, 1939 — 3,334,365.00				
1½ per cent payable January 2, 1940 — 3,334,365.00	13,337,460.00	13,337,460.00		
Total Dividends	$17,319,184.00	$17,319,184.00		
Surplus, Transferred to Profit and Loss	**$1,647,447.50**	**$1,382,049.52**	**$265,397.98**	

Expenditures Chargeable to Investment in Road and Equipment

Extensions and Branches	$442.14	Credits to Investment in Road and Equipment:	
Additions and Betterments (excluding equipment)	6,706,702.61	Cost of property retired and not replaced	$1,049,089.60
Equipment	9,791,958.78	Cost of equipment retired	5,958,141.97
		Adjustments	141,260.76
		Total Credits	$7,148,492.33
Total Expenditures	$16,499,103.53	Net increase in "Investment in Road and Equipment"	$9,350,611.20

Operating Results for Year 1939 Compared with Year 1938

	1939	1938	Increase	Decrease	Per Cent
Average miles of road operated	9,900.75	9,907.52	.....	6.77	.1
Operating Revenues					
1. Freight	$132,484,798.15	$120,429,544.33	$12,055,253.82	.....	10.0
2. Passenger	17,630,948.00	16,565,711.46	1,065,236.54	.....	6.4
3. Mail	5,358,548.75	5,024,152.29	334,396.46	.....	6.7
4. Express	2,069,907.16	2,040,974.09	28,933.07	.....	1.4
5. Other passenger-train	2,850,060.70	2,476,461.67	373,599.03	.....	15.1
6. Switching	1,811,118.24	1,623,826.49	187,291.75	.....	11.5
7. Water line	6,865.20	5,537.86	1,327.34	.....	24.0
8. Other	2,041,125.27	2,047,005.86	.....	$5,880.59	.3
9. Total operating revenues	$164,253,371.47	$150,213,214.05	$14,040,157.42	.....	9.3
Operating Expenses					
10. Maintenance of way and structures	$18,546,351.71	$16,354,100.36	$2,192,251.35	.....	13.4
11. Maintenance of equipment	30,195,781.94	26,413,538.92	3,782,243.02	.....	14.3
12. Total maintenance	$48,742,133.65	$42,767,639.28	$5,974,494.37	.....	14.0
13. Traffic	4,970,557.16	4,244,151.42	726,405.74	.....	17.1
14. Transportation—rail line	55,219,064.55	50,282,801.33	4,936,263.22	.....	9.8
15. Transportation—water line	10,153.23	8,803.87	1,349.36	.....	15.3
16. Miscellaneous operations	3,609,699.12	3,430,967.52	178,731.60	.....	5.2
17. General	5,307,680.96	5,001,449.85	306,231.11	.....	6.1
18. Transportation for investment—*Credit*	700.63	4,662.20	.....	$3,961.57	85.0
19. Total operating expenses	$117,858,588.04	$105,731,151.07	$12,127,436.97	.....	11.5
20. Revenues over expenses	$46,394,783.43	$44,482,062.98	$1,912,720.45	.....	4.3
Taxes					
21. State and county	$9,551,456.33	$9,310,726.66	$240,729.67	.....	2.6
22. Unemployment insurance	2,073,908.57	1,900,456.01	173,452.56	.....	9.1
23. Federal retirement	1,866,501.26	1,681,707.40	184,793.86	.....	11.0

General Balance Sheet—Assets

	December 31, 1939	December 31, 1938	Increase	Decrease
Investments:				
Road and Equipment	$971,609,571.35	$962,258,960.15	$9,350,611.20	
Less:				
Receipts from improvement and equipment fund	$23,823,091.13	$23,823,091.13		
Appropriations from income and surplus prior to July 1, 1907, credited to this account	13,310,236.52	13,310,236.52		
Total	$37,133,327.65	$37,133,327.65		
701. **Investment in road and equipment**	$934,476,243.70	$925,125,632.50	$9,350,611.20	
704. Deposits in lieu of mortgaged property sold	$26,880.22	$363,157.35	.....	$336,277.13
705. Miscellaneous physical property	11,729,990.76	9,529,318.95	$2,200,671.81	
Total	$11,756,870.98	$9,892,476.30	$1,864,394.68	
706. **Investments in affiliated companies:**				
Stocks	$20,367,936.91	$20,367,836.91	$100.00	
Bonds, notes, and equipment trust certificates	8,731,931.78	9,651,437.13	.....	$919,505.35
Advances	20,713,458.92	20,725,936.37	.....	12,477.45
Total	$49,813,327.61	$50,745,210.41	.....	$931,882.80
707. **Investments in other companies:**				
Stocks	$80,776,736.32	$80,956,197.19	.....	$179,460.87
Bonds, notes, and equipment trust certificates	66,463,441.07	67,735,085.14	.....	1,271,644.07
Total	$147,240,177.39	$148,691,282.33	.....	$1,451,104.94
United States Government Bonds	$6,477,617.31	$12,855,780.67	.....	$6,378,163.36
703. Sinking funds	.....	$350.00	.....	$350.00
Total Investments	$1,149,764,236.99	$1,147,310,732.21	$2,453,504.78	
Currents Assets:				
708. Cash	$23,964,442.52	$23,447,319.13	$517,123.39	
711. Special deposits	37,573.89	41,877.23	.....	$4,303.34
712. Loans and bills receivable	6,482.12	8,264.48	.....	1,782.36
713. Traffic and car-service balances receivable	4,052,722.41	3,626,594.25	426,128.16	
714. Net balance receivable from agents and conductors	1,399,428.61	1,107,061.43	292,367.18	
715. Miscellaneous accounts receivable	5,039,883.23	5,240,393.14	.....	200,509.91
716. Material and supplies	25,802,334.97	21,579,507.44	4,222,827.53	
717. Interest and dividends receivable	743,870.46	850,997.53	.....	107,127.07
718. Rents receivable	161,381.62	120,073.41	41,308.21	
719. Other current assets:				
Baltimore and Ohio Railroad Co. capital stock applicable to payment of extra dividend of 1914	113,267.70	113,531.70	.....	264.00
Miscellaneous items	1,267.90	953.01	314.89	
Total Current Assets	$61,322,655.43	$56,136,572.75	$5,186,082.68	
Deferred Assets:				
720. Working fund advances	$114,482.75	$380,357.45	.....	$265,874.70
722. Other deferred assets	5,756,364.51	4,661,540.58	$1,094,823.93	
Total Deferred Assets	$5,870,847.26	$5,041,898.03	$828,949.23	
Unadjusted Debits:				
723. Rents and insurance premiums paid in advance	$25,281.87	$18,114.26	$7,167.61	
725. Discount on funded debt	668,216.48	699,910.52	.....	$31,694.04
727. Other unadjusted debits	1,729,006.47	1,150,593.68	578,412.79	
Total Unadjusted Debits	$2,422,504.82	$1,868,618.46	$553,886.36	
Grand Total	$1,219,380,244.50	$1,210,357,821.45	$9,022,423.05	

Operating Results for Year 1939 Compared with Year 1938—Continued

24. Federal income	$2,525,114.75	$2,185,313.62	$339,801.13	.....	15.5
25. Federal capital stock	255,968.00	202,486.00	53,482.00	.....	26.4
26. Other federal	14,659.16	13,304.87	1,354.29	.....	10.2
27. Total taxes	$16,287,608.07	$15,293,994.56	$993,613.51	.....	6.5
28. Railway operating income	$30,107,175.36	$29,188,068.42	$919,106.94	.....	3.1
29. Equipment rents (debit)	9,220,088.41	8,644,167.12	575,921.29	.....	6.7
30. Joint facility rents (debit)	653,898.96	676,509.86	.....	$22,610.90	3.3
31. Net railway operating income	$20,233,187.99	$19,867,391.44	$365,796.55	.....	1.8
Per cent—Operating expenses of operating revenues	71.75	70.39	1.36	.....	1.9
FREIGHT TRAFFIC (*Commercial Freight only*)					
Tons of revenue freight carried	26,453,735	25,284,671	1,169,064	.....	4.6
Ton-miles, revenue freight	13,057,871,224	11,713,952,906	1,343,918,318	.....	11.5
Average distance hauled per ton (*miles*)	493.61	463.28	30.33	.....	6.5
Average revenue per ton-mile (*cents*)	1.015	1.028	.....	.013	1.3
Average revenue per freight-train mile	$5.94	$5.99	.....	$.05	.8
PASSENGER TRAFFIC (*Excludes Motor Train, other than Streamlined Train*)					
Revenue passengers carried	1,753,484	1,684,267	69,217	.....	4.1
Revenue passengers carried one mile	1,020,985,118	944,680,863	76,304,255	.....	8.1
Average distance hauled per passenger (*miles*)	582.26	560.89	21.37	.....	3.8
Average passengers per passenger-train mile	76.62	73.56	3.06	.....	4.2
Average revenue per passenger-mile (*cents*)	1.715	1.739	.....	.024	1.4
Average revenue per passenger-train mile, passengers only	$1.31	$1.28	$.03	.....	2.3
Average total revenue per passenger-train mile	$1.90	$1.85	$.05	.....	2.7

General Balance Sheet—Liabilities

	December 31, 1939	December 31, 1938	INCREASE	DECREASE
751. **Capital Stock**				
Common stock	$222,302,500.00	$222,302,500.00		
Preferred stock	99,602,980.79	99,602,980.79		
Total Capital Stock	$321,905,480.79	$321,905,480.79		
755. **Funded Debt**	351,952,380.00	353,147,195.00	.....	$1,194,815.00
Total	$673,857,860.79	$675,052,675.79	.....	$1,194,815.00
754. **Grants in Aid of Construction**	$8,547,946.42	$5,518,354.27	$3,029,592.15	
757. **Nonnegotiable Debt to Affiliated Companies**	$8,017,487.35	$6,667,421.98	$1,350,065.37	
Current Liabilities:				
759. TRAFFIC AND CAR-SERVICE BALANCES PAYABLE	$1,191,716.73	$1,201,269.18	.....	$9,552.45
760. AUDITED ACCOUNTS AND WAGES PAYABLE	9,190,912.24	8,194,858.95	$996,053.29	
761. MISCELLANEOUS ACCOUNTS PAYABLE	1,001,122.85	912,515.81	88,607.04	
762. INTEREST MATURED UNPAID:				
Coupons matured, but not presented	92,281.11	88,924.61	3,356.50	
Coupons and interest on registered bonds, due first proximo	4,013,095.40	4,022,611.20	.....	9,515.80
763. DIVIDENDS MATURED UNPAID:				
Dividends due but uncalled for	128,898.43	121,304.34	7,594.09	
Extra dividend on common stock declared January 8, 1914, payable to stockholders of record March 2, 1914, unpaid	122,240.74	122,504.74	.....	264.00
Dividend on common stock payable second proximo	3,334,365.00	3,334,365.00		
764. FUNDED DEBT MATURED UNPAID	48,175.00	59,175.00	.....	11,000.00
766. UNMATURED INTEREST ACCRUED	1,620,341.06	1,625,738.46	.....	5,397.40
767. UNMATURED RENTS ACCRUED	472,413.09	429,011.09	43,402.00	
768. OTHER CURRENT LIABILITIES	361,129.88	324,099.40	37,030.48	
Total Current Liabilities	$21,576,691.53	$20,436,377.78	$1,140,313.75	
Deferred Liabilities:				
770. OTHER DEFERRED LIABILITIES	$8,087,133.23	$8,189,807.27	.....	$102,674.04
771. TAX LIABILITY	8,558,618.08	8,573,473.16	.....	14,855.08
Total Deferred Liabilities	$16,645,751.31	$16,763,280.43	.....	$117,529.12
Unadjusted Credits:				
772. PREMIUM ON FUNDED DEBT	$94,053.93	$96,559.77	.....	$2,505.84
773. INSURANCE RESERVE (Reserve for fire insurance)	9,219,023.07	8,627,422.95	$591,600.12	
RESERVE FOR DEPRECIATION	118,270,759.80	114,863,200.96	3,407,558.84	
778. OTHER UNADJUSTED CREDITS:				
Contingent interest	3,563,974.29	2,784,968.41	779,005.88	
Miscellaneous items	1,844,568.02	2,467,170.83	.....	622,602.81
Total Unadjusted Credits	$132,992,379.11	$128,839,322.92	$4,153,056.19	
Total Liabilities	$861,638,116.51	$853,277,433.17	$8,360,683.34	
Surplus:				
APPROPRIATED FOR ADDITIONS AND BETTERMENTS	$30,784,371.85	$30,767,754.54	$16,617.31	
RESERVED FOR DEPRECIATION OF SECURITIES	34,972,570.88	34,972,570.88		
FUNDED DEBT RETIRED THROUGH INCOME AND SURPLUS	1,221,013.66	992,228.66	228,785.00	
SINKING FUND RESERVES	.....	350.00	.....	$350.00
Total Appropriated Surplus	$66,977,956.39	$66,732,904.08	$245,052.31	
784. Profit and Loss—Credit Balance	251,198,971.86	250,782,284.46	416,687.40	
Total Surplus	$318,176,928.25	$317,515,188.54	$661,739.71	

As this consolidated balance sheet excludes all intercompany items, securities of the Los Angeles & Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company owned by other System companies are not included. The difference between the par and face value of such securities as carried on the books of the issuing companies (less unextinguished discount on the bonds and discount charged to Profit and Loss but added back in consolidating the accounts) and the amounts at which the securities are carried on the books of the owning companies is set up here to balance

	$39,565,199.74	$39,565,199.74		
Grand Total	$1,219,380,244.50	$1,210,357,821.45	$9,022,423.05	

Annual Report

New York Central Railroad Company

To the Stockholders of
THE NEW YORK CENTRAL RAILROAD COMPANY

The Board of Directors herewith submits its report for the year ended December 31, 1939.

The Year's Business

Operating revenues were $341,086,708.29, an increase of $42,405,513.08 (14.20%), as compared with the previous year. While operating revenues were adversely affected by a sharp reduction in tonnage of bituminous coal handled during April and May, due to labor troubles in the mining industry, there was some increase in the volume of traffic handled during the first eight months which was followed by a more substantial increase during the last four months of the year.

Freight revenue amounted to $240,130,664.84, an increase of $37,348,956.60 (18.42%), resulting from the larger volume of traffic. Revenue freight handled amounted to 119,293,005 tons, an increase of 20,699,897 tons (21.00%).

Tonnage of commodities handled, by classes, together with revenue therefrom (before deductions for absorbed switching, overcharges, etc.) compared with the previous year was:

Class	Tons handled	Increase or Decrease	Revenue	Increase or Decrease
Products of agriculture	8,549,397	409,426 I	$ 19,964,806	$ 261,257 I
Animals and products	2,275,807	80,653 I	16,372,425	691,383 I
Products of mines	71,213,880	13,610,334 I	78,990,909	13,995,707 I
Products of forests	2,489,972	342,707 I	5,951,592	998,340 I
Manufactures and miscellaneous	33,219,611	6,527,940 I	112,861,207	23,818,844 I
All less than carload traffic	1,544,338	271,163 D	15,216,087	3,025,634 D
TOTAL	119,293,005	20,699,897 I	$249,357,026	$36,739,897 I

Passenger revenue amounted to $61,412,817.38, an increase of $1,098,923.89 (1.82%). Revenue passengers carried were 46,470,669, a decrease of 1,744,775 (3.62%). Local passengers decreased 1,899,504 (11.52%), while interline passengers increased 62,143 (2.53%) and commutation passengers increased 92,586 (.32%). Passengers carried one mile were 2,898,905,456, an increase of 109,588,847 (3.93%).

Income Account for the Year

INCLUDING ALL LEASED LINES

	Year Ended Dec. 31, 1939	Year Ended Dec. 31, 1938	+Increase or —Decrease
OPERATING INCOME	11,008.13 *miles operated*	11,070.27 *miles operated*	62.14 *miles*
RAILWAY OPERATIONS			
Railway operating revenues	$341,086,708.29	$298,681,195.21	+$42,405,513.08
Railway operating expenses	256,884,231.99	237,502,382.80	+19,381,849.19
NET REVENUE FROM RAILWAY OPERATIONS	$84,202,476.30	$61,178,812.41	+$23,023,663.89
Percentage of expenses to revenues	(75.31)	(79.52)	—(4.21)
Railway tax accruals	$31,735,690.27	$32,723,604.74	—$987,914.47
RAILWAY OPERATING INCOME	$52,466,786.03	$28,455,207.67	+$24,011,578.36
Equipment rents, net debit	$11,810,197.73	$10,106,754.72	+$1,703,443.01
Joint facility rents, net debit	3,353,161.26	2,765,977.20	+587,184.06
NET RAILWAY OPERATING INCOME	$37,303,427.04	$15,582,475.75	+$21,720,951.29
OTHER INCOME			
Revenues from miscellaneous operations	$587,800.30	$551,439.55	+$36,360.75
Income from lease of road and equipment	291,670.14	487,235.74	—195,565.60
Miscellaneous rent income	3,337,656.94	3,356,661.07	—19,004.13
Miscellaneous non-operating physical property	1,182,513.26	1,326,068.00	—143,554.74
Separately operated properties—profit	656,337.99	288,047.04	+368,290.95
Dividend income	6,460,070.98	5,455,252.05	+1,004,818.93

(Other Income—Continued)

Income from funded securities	$3,913,321.06	$3,233,525.88	+$679,795.18
Income from unfunded securities and accounts	281,886.41	359,679.73	—77,793.32
Income from sinking and other reserve funds	68,884.16	65,561.26	+3,322.90
Miscellaneous income	113,279.74	50,196.01	+63,083.73
TOTAL OTHER INCOME	$16,893,420.98	$15,173,666.33	+$1,719,754.65
TOTAL INCOME	$54,196,848.02	$30,756,142.08	+$23,440,705.94
MISCELLANEOUS DEDUCTIONS FROM INCOME			
Expenses of miscellaneous operations	$422,369.91	$434,717.84	—$12,347.93
Taxes on miscellaneous operating property	79,215.74	76,718.81	+2,496.93
Miscellaneous rents	463,395.87	514,544.44	—51,148.57
Miscellaneous tax accruals	423,329.08	427,254.30	—3,925.22
Separately operated properties—Loss	26,361.63	18,919.38	+7,442.25
Miscellaneous income charges	169,496.12	207,580.26	—38,084.14
TOTAL MISCELLANEOUS DEDUCTIONS	$1,584,168.35	$1,679,735.03	—$95,566.68
INCOME AVAILABLE FOR FIXED CHARGES	$52,612,679.67	$29,076,407.05	+$23,536,272.62
FIXED CHARGES			
Rent for leased roads and equipment	$22,059,322.79	$22,472,195.15	—$412,872.36
Interest on funded debt	25,005,580.23	25,297,503.10	—291,922.87
Interest on unfunded debt	1,038,541.01	1,461,066.00	—422,524.99
TOTAL FIXED CHARGES	$48,103,444.03	$49,230,764.25	—$1,127,320.22
NET INCOME	$4,509,235.64	$20,154,357.20‡	+$24,663,592.84

‡Deficit

Equipment depreciation charges included in expenses	$15,926,938.13	$16,106,282.74	—$179,344.61
Included in Other Income and Rent for Leased Roads and Equipment are certain intercompany transactions representing credits and corresponding debits amounting to	$3,920,865	$3,990,620	—$69,755
Also included in Other Income are items representing interest and dividends amounting to	$1,501,861	$1,491,966	+$9,895

received on securities of and advances to terminal and other railroad companies whose properties are jointly used by this Company, as to the major portion of which a like amount was paid by the Company to those companies as rental and included in Joint Facility Rents.

Profit and Loss Account

BALANCE TO CREDIT OF PROFIT AND LOSS, DECEMBER 31, 1938		$172,310,113.27
ADDITIONS:		
Net income for the year 1939	$4,509,235.64	
Credits from retired road and equipment	21,664.34	
Donations	10,995.58	
Miscellaneous credits	466,569.77	5,008,465.33
		$177,318,578.60
DEDUCTIONS:		
Surplus appropriated for investment in physical property	$23,998.05	
Debits from retired road (represents ledger value, less salvage recovered, of roadway property not required for transportation service retired during the year and charged to profit and loss account)	5,437,031.62	
Miscellaneous debits	1,079,596.43	6,540,626.10
BALANCE TO CREDIT OF PROFIT AND LOSS, DECEMBER 31, 1939		$170,777,952.50

For the Board of Directors,

F. E. WILLIAMSON, President.

Railway Officers

(*Continued from page 840*)

freight agent for the Canadian National. In 1923, he became manager of the tariff bureau and in 1924, manager of the rate

F. P. Nelson

and tariff bureau. He was appointed general agent in 1926, becoming assistant freight traffic manager, with headquarters at Toronto, in 1930. Mr. Perry was appointed general freight agent in 1932 and assistant freight traffic manager in 1939.

ENGINEERING AND SIGNALING

V. K. Hoffner, office engineer on the New York Central at Cleveland, Ohio, has been promoted to assistant engineer of structures, with the same headquarters.

George E. Clark, night foreman of the Canadian National at Belleville, Ont., has been appointed assistant engineer in the office of the general superintendent, motive power and car equipment, with headquarters at Toronto, Ont. **Henry T. Ross,** assistant engineer for the Saskatoon district of the Canadian National, has been appointed divisional engineer for the Prince Albert division, succeeding **Gilbert Murray,** deceased.

Burton R. Leffler, engineer of bridges of the Lines West of Buffalo and the Ohio Central lines of the New York Central, with headquarters at Cleveland, Ohio, has retired, and **John B. Hunley,** engineer of bridges and structures of the Cleveland, Cincinnati, Chicago & St. Louis (Big Four), with headquarters at Cincinnati, Ohio, has been appointed engineer of structures on the New York Central system, with headquarters at Chicago, and his duties have been extended to include jurisdiction over the Erie, Cleveland, Toledo, Western, Ohio Central, Canada, Detroit, Michigan and West divisions in addition to his jurisdiction on the Big Four. **George E. Robinson,** assistant engineer at Cincinnati, has been promoted to assistant engineer of structures on the New York Central system, with headquarters at Cincinnati, Ohio. The position of engineer of bridges, with headquarters at Cleveland, has been abolished.

Mr. Leffler was born at Naperville, Ill., on April 30, 1870, and attended Northwestern College at Naperville and the University of Illinois. He entered railway service on January 16, 1899, as an instrumentman on construction on the Chicago, Burlington & Quincy. On February 1, 1902, he went with the American Bridge Company as a structural draftsman and in May, 1903, he returned to railroad service as chief draftsman in the bridge department of the Lake Shore & Michigan Southern (now part of the New York Central system). In January, 1906, he was promoted to engineer of bridges and structures, with headquarters at Cleveland, and in January, 1915, when the New York Central absorbed the L. S. & M. S., he was appointed engineer of bridges and structures of the Lines West of Buffalo, with the same headquarters.

MECHANICAL

Elwood R. Buck, who has been appointed superintendent of motive power of the Wabash, with headquarters at Decatur, Ill., as announced in the *Railway Age* of April 27, was born on December 2, 1894, at Altoona, Pa., and was educated at Pennsylvania State College. He entered railway service on the Pennsylvania on June 26, 1913, and completed a special

Elwood R. Buck

apprenticeship in 1920. On April 1, 1923, he was promoted to assistant master mechanic on the Trenton division, which position he held until January 1, 1931, when he was transferred to the Baltimore division. He held the same position at other points on the system and at the time of his new appointment was master mechanic at Pitcairn, Pa.

John Zweifel, assistant mechanical and electrical engineer of the New York Central, with headquarters in New York, has retired after almost 34 years of service.

J. L. Marks, master mechanic of the Middle division of the Pennsylvania, has been promoted to master mechanic of the Pittsburgh, Conemaugh and Monongahela divisions, succeeding **E. R. Buck,** who has been granted a leave of absence.

SPECIAL

Mrs. Isabelle C. Kendall, editor of the Milwaukee Road magazine for more than 25 years, using the pen name of Carpenter Kendall, has retired, and **Marc Green,** associate editor, with headquaters at Chicago, has been advanced to editor. Mrs. Green, who is president-general of the Milwaukee Road Women's Club, will continue in that office.

OBITUARY

Emil H. Pfafflin, who retired on September 30, 1937, as assistant division engineer of the Chicago, Milwaukee, St. Paul & Pacific, with headquarters at Terre Haute, Ind., died on May 3 in Chicago. He was born on June 17, 1862, and entered railway service in 1888 as a locating engineer for the Evansville & Richmond (now a part of the C. M. St. P. & P.). In 1889 he was promoted to resident engineer, and in 1891 he entered the employ of the Evansville & Terre Haute (now a part of the C. & E. I.). In 1904, he was appointed chief engineer of the Chicago Southern which later became the Chicago Terre Haute & Southeastern and which is now a part of the Milwaukee. Mr. Pfafflin held this position until 1921 when he was made district engineer of the Milwaukee at Terre Haute. He was appointed assistant division engineer in 1932. He was a charter member of the American Railway Engineering Association.

Edward Emmett Regan, assistant general manager of the New York, New Haven & Hartford, with headquarters at New York, died on May 5, at the age of 64. Mr. Regan's entire railroad career was with the New Haven. He began as a messenger and clerk on June 13, 1893, subsequently being promoted to stenographer and to superintendent's clerk, crew dispatcher and chief clerk. He became assistant general yardmaster in 1908, general yardmaster in November, 1909, and a month later was promoted to assistant trainmaster. In January, 1912, he became acting trainmaster, and in May, 1912, trainmaster. In March, 1916, he was appointed superintendent of the Midland division, and in May, 1917, superintendent of the New London division. In March, 1918, Mr. Regan became superintendent of the New Haven division and in November of the same year, superintendent of the

Edward Emmett Regan

New Haven and New London divisions. He was appointed acting general superintendent, in June, 1925. Later he was appointed general superintendent and in September, 1931, he became assistant general manager.

Table of Revenues and Expenses begins on next left-hand page

REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1940

Name of road		Av. mileage operated during period	Operating revenues: Freight	Passenger	Total (inc. misc.)	Operating expenses: Maintenance of Way and structures	Maintenance of Equipment	Traffic	Transportation	Total	Operating ratio	Net from railway operation	Operating income	Net railway operating income 1940	Net railway operating income 1939
Akron, Canton & Youngstown	March	171	$174,610	$31	$182,746	$24,760	$19,637	$13,975	$57,559	$125,440	68.6	$57,306	$43,857	$29,800	$13,924
	3 mos.	171	550,210	102	572,214	69,183	60,522	41,140	173,629	372,013	65.0	200,201	153,763	113,343	55,370
Alton	March	959	886,982	208,008	1,298,702	151,601	224,833	46,878	557,574	1,052,888	81.1	245,814	140,727	—31,995	9,995
	3 mos.	959	2,639,965	644,285	3,867,109	392,239	714,980	133,581	1,688,669	3,145,571	81.3	721,538	424,958	—73,015	—50,721
Atchison, Topeka & Santa Fe System	March	13,414	9,498,418	1,292,397	12,049,575	2,087,290	2,864,883	449,830	4,635,544	10,414,860	86.4	1,634,715	401,046	431,395	108,218
	3 mos.	13,418	27,570,073	4,064,506	35,102,062	5,144,783	8,565,902	1,351,287	13,823,188	30,012,522	85.5	5,089,540	1,459,097	1,409,803	—7,668
Atlanta & West Point	March	93	108,243	25,237	160,159	22,532	27,351	8,826	68,598	138,844	86.7	21,315	9,497	—5,161	—10,219
	3 mos.	93	328,087	73,338	470,843	66,584	78,099	25,519	198,691	401,646	85.3	69,197	34,261	—2,063	—19,420
Western of Alabama	March	133	107,977	24,725	151,822	20,414	30,475	8,230	60,265	129,129	85.1	22,693	10,187	10,253	6,538
	3 mos.	133	306,075	72,219	430,021	63,281	88,853	24,441	175,196	380,575	88.5	49,446	11,824	15,984	14,910
Atlanta, Birmingham & Coast	March	639	241,768	50,479	317,484	50,868	49,537	24,520	129,466	273,406	86.1	44,078	18,060	—8,175	7,545
	3 mos.	639	706,663	141,769	914,302	151,633	150,794	71,899	385,846	813,609	89.0	100,693	22,973	—44,358	35,993
Atlantic Coast Line	March	5,101	3,300,099	1,148,220	4,969,003	462,569	898,323	161,677	1,908,711	3,693,179	74.3	1,275,824	650,824	445,096	951,499
	3 mos.	5,102	9,685,569	3,422,957	14,579,552	1,358,557	2,567,335	523,787	5,593,426	10,798,210	74.1	3,781,342	2,231,342	1,481,209	1,911,690
Charleston & Western Carolina	March	343	209,355	1,145	215,409	28,265	51,845	9,217	71,752	166,813	77.4	48,596	28,596	24,477	48,393
	3 mos.	343	646,353	3,992	663,936	79,177	145,199	26,556	219,950	487,699	73.5	176,237	106,237	91,707	124,055
Baltimore & Ohio	March	6,382	11,675,331	716,806	13,207,632	1,136,827	3,049,335	404,338	4,980,644	10,182,157	77.1	3,025,475	2,073,761	1,749,392	2,025,490
	3 mos.	6,382	35,813,862	2,242,296	40,407,061	3,378,967	9,871,112	1,169,377	15,424,270	31,668,153	78.4	8,738,908	5,863,999	4,863,726	4,956,668
Staten Island Rapid Transit	March	24	59,116	66,313	132,530	7,732	25,833	1,164	78,862	125,623	94.8	6,907	—18,190	—23,697	—30,592
	3 mos.	24	171,685	192,257	384,884	24,780	71,782	3,236	236,387	369,932	96.1	14,952	—65,697	—84,146	—99,962
Bangor & Aroostook	March	603	624,750	17,770	661,810	84,678	91,488	5,796	149,716	357,225	54.0	304,585	234,754	214,372	236,855
	3 mos.	603	1,626,502	50,152	1,730,674	263,891	267,804	16,031	428,321	1,051,679	60.8	678,995	506,312	480,649	569,997
Bessemer & Lake Erie	March	224	692,613	603	696,853	113,386	304,494	12,843	179,388	641,060	91.99	55,793	—19,611	32,335	—115,620
	3 mos.	224	1,931,132	1,906	1,960,738	238,768	872,259	37,229	518,610	1,761,887	89.86	198,851	19,818	188,389	—200,896
Boston & Maine	March	1,910	2,775,614	571,236	3,859,320	431,654	619,463	73,167	1,608,599	2,883,450	74.7	975,870	688,975	459,472	436,006
	3 mos.	1,910	8,404,134	1,788,986	11,678,181	1,507,979	1,772,651	201,275	4,830,461	8,777,863	75.2	2,900,318	2,012,908	1,314,742	1,221,438
Burlington, Rock Island	March	255	76,521	18,024	102,238	17,252	19,564	4,331	53,591	104,128	101.8	—1,890	—12,086	—20,408	—18,634
	3 mos.	255	252,879	51,824	328,652	49,388	54,882	13,642	156,258	303,605	92.4	25,047	—5,792	—27,067	—33,055
Cambria & Indiana	March	37	120,021	.....	120,108	5,792	41,748	415	12,368	66,356	55.25	53,752	21,035	92,907	107,267
	3 mos	37	409,160	.....	409,455	16,812	120,259	1,232	42,683	199,007	48.60	210,448	100,989	316,736	321,429
Canadian Pacific Lines in Maine	March	234	335,408	11,148	356,533	22,565	54,955	6,121	113,208	202,174	56.7	154,359	142,747	121,027	100,734
	3 mos.	234	1,024,978	36,319	1,097,378	70,704	156,853	23,611	350,307	618,053	56.3	479,325	444,517	363,239	200,334
Canadian Pacific Lines in Vermont	March	91	71,877	8,623	89,694	12,108	24,964	2,223	69,550	111,657	124.5	—21,963	—29,836	—49,155	—69,329
	3 mos.	91	242,035	28,220	300,012	34,550	79,236	8,618	207,412	338,628	112.9	—38,616	—60,342	—119,439	—165,040
Central of Georgia	March	1,871	1,075,509	111,375	1,369,374	185,928	268,349	54,043	608,327	1,195,189	87.3	174,185	54,613	26,898	68,677
	3 mos	1,871	3,142,723	355,775	3,987,675	550,388	807,968	164,015	1,801,070	3,561,519	89.3	426,156	74,988	15,075	97,841
Central of New Jersey	March	710	2,381,650	330,073	2,898,914	226,093	639,796	49,112	1,188,663	2,205,095	76.1	693,819	249,181	71,409	80,964
	3 mos.	710	7,309,052	987,567	8,841,135	667,040	1,863,107	137,868	3,691,037	6,632,416	75.0	2,208,719	1,020,276	407,346	30,893
Central Vermont	March	422	437,012	36,696	510,337	64,831	73,319	12,293	221,774	392,178	76.8	118,159	94,631	56,597	—31,760
	3 mos.	422	1,318,817	103,992	1,535,559	183,916	266,802	34,895	681,318	1,223,400	79.7	312,159	241,637	132,311	—78,988
Chesapeake & Ohio	March	3,115	9,669,810	222,038	10,209,539	1,033,079	2,092,937	208,334	2,524,601	6,163,026	60.4	4,046,513	2,833,648	2,836,467	2,395,992
	3 mos.	3,116	29,366,613	694,966	30,946,080	2,950,426	6,174,562	616,520	7,695,907	18,363,224	59.3	12,582,856	8,754,034	9,298,283	6,851,877
Chicago & Eastern Illinois	March	925	1,003,156	119,139	1,279,696	139,801	243,360	56,243	530,786	1,033,603	80.8	246,093	156,093	25,490	67,935
	3 mos.	925	3,066,317	422,901	3,943,623	420,841	726,550	168,942	1,632,760	3,144,106	79.7	799,517	551,517	164,524	112,057
Chicago & Illinois Midland	March	131	345,201	614	371,591	41,610	71,978	19,115	94,875	247,100	66.5	124,491	90,936	80,688	63,757
	3 mos.	131	1,055,249	2,077	1,100,737	124,411	212,557	63,832	289,878	748,981	68.0	351,756	251,402	236,300	189,906
Chicago & North Western	March	8,327	4,796,443	807,696	6,397,492	993,588	1,435,339	170,226	2,918,444	5,833,646	91.2	563,846	—43,224	—423,654	—237,547
	3 mos	8,327	14,856,228	2,513,082	19,684,019	2,790,380	4,363,035	539,883	8,998,003	17,646,009	89.7	2,038,010	202,982	—708,431	—1,121,119
Chicago, Burlington & Quincy	March	9,004	6,014,767	574,468	7,483,593	686,677	1,240,779	241,398	2,884,553	5,355,360	71.6	2,128,233	1,383,131	1,035,138	812,260
	3 mos.	9,004	18,305,758	1,933,421	22,687,315	2,033,361	4,435,706	726,434	8,949,314	17,015,158	75.0	5,672,157	3,388,715	2,436,383	1,898,198
Chicago Great Western	March	1,502	1,266,119	43,179	1,415,705	191,596	249,788	59,629	567,235	1,121,947	79.3	293,758	196,183	20,978	65,705
	3 mos	1,502	3,882,629	113,295	4,307,033	582,839	747,924	178,876	1,736,197	3,401,766	79.0	905,267	618,898	77,739	69,310
Chicago, Indianapolis & Louisville	March	549	673,740	37,031	780,731	73,421	128,147	28,784	295,927	561,063	71.9	219,668	175,199	73,309	—41,886
	3 mos.	549	2,034,299	122,479	2,359,839	197,966	411,299	86,085	911,109	1,712,865	72.6	646,974	517,636	225,120	—260,721

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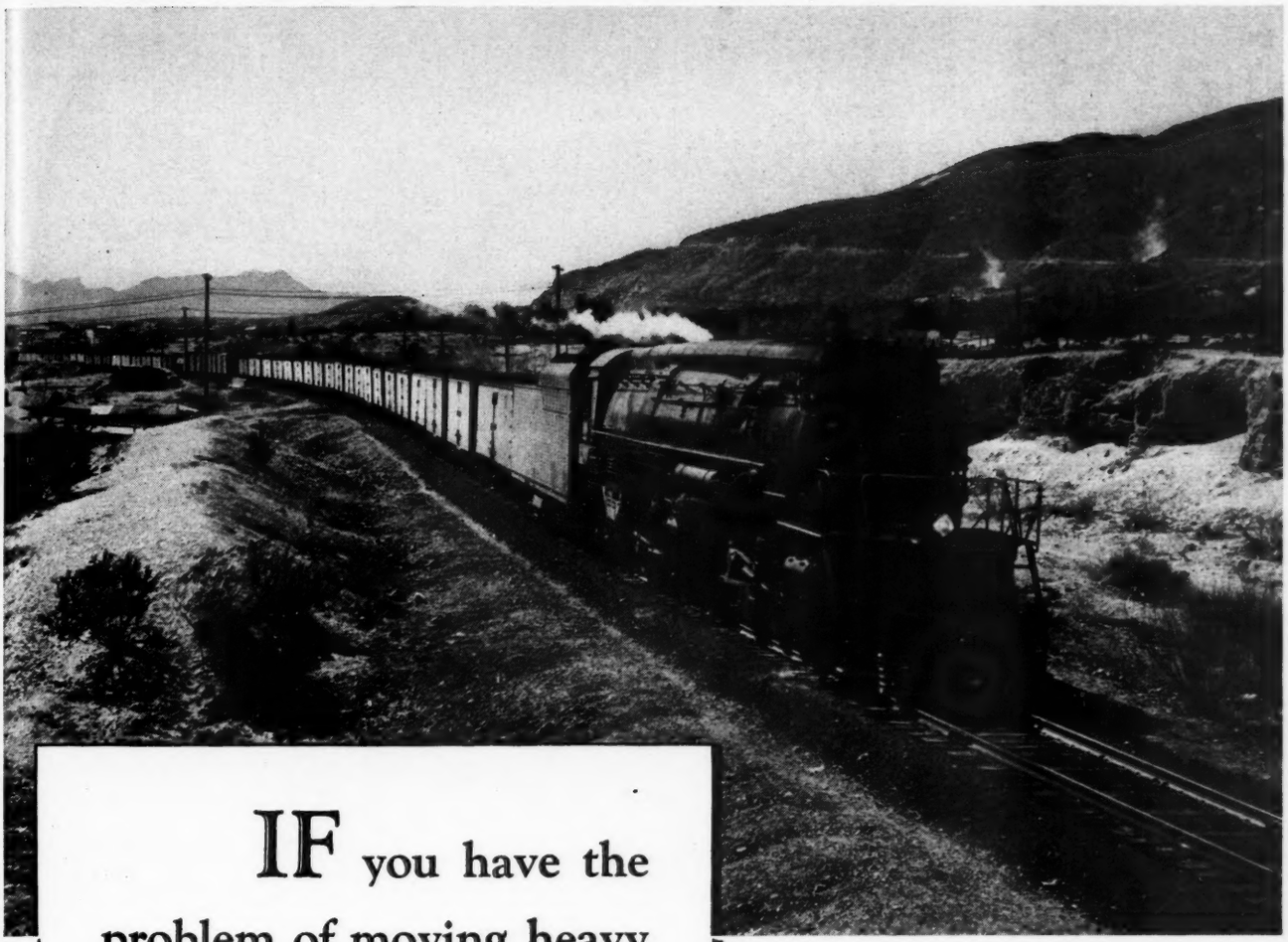

IF you have the problem of moving heavy loads at high speeds . . . *turn to LIMA for its solution*

Economical freight train operation demands heavier loads moved at increased speeds. The only power capable of meeting these demands is MODERN POWER.

Lima has pioneered in the development and construction of high-speed, high-capacity freight locomotives to keep pace with the ever-increasing traffic demands. . . . Let Lima solve *your* freight problems.

LIMA LOCOMOTIVE WORKS INCORPORATED

LIMA LOCOMOTIVE WORKS, INCORPORATED, LIMA, OHIO

REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1940—CONTINUED

Name of road		Av. mileage operated during period	Operating revenues: Freight	Passenger	Total (inc. misc.)	Operating expenses: Maintenance of Way and structures	Maintenance of Equipment	Traffic	Transportation	Total	Operating ratio	Net from railway operation	Operating income	Net railway operating income 1940	Net railway operating income 1939
Chicago, Milwaukee, St. Paul & Pacific	March	10,882	$7,124,825	$579,437	$8,525,609	$881,811	$1,703,214	$220,004	$3,373,361	$6,557,917	76.9	$1,967,692	$1,279,692	$885,925	$321,093
	3 mos.	10,884	21,727,275	1,781,421	25,895,196	2,569,252	5,039,884	655,260	10,342,649	19,746,536	76.3	6,148,660	4,070,660	2,896,019	798,252
Chicago, Rock Island & Pacific	March	7,909	4,922,366	637,372	6,170,628	723,428	1,260,367	256,554	2,505,279	5,074,081	82.2	1,096,547	607,281	151,433	453,569
	3 mos.	7,867	14,760,495	1,974,041	18,473,943	2,011,705	3,696,130	766,663	7,673,553	15,160,710	82.1	3,313,233	1,837,526	654,961	520,446
Chicago, St. Paul, Minneapolis & Omaha	March	1,629	1,096,446	119,632	1,310,293	160,704	255,238	37,594	662,291	1,185,320	90.5	124,973	10,339	—89,319	—67,446
	3 mos.	1,629	3,409,451	362,452	4,037,586	421,757	766,955	117,074	2,046,668	3,561,294	88.2	476,292	132,356	—212,699	—353,446
Clinchfield Railroad	March	308	769,199	3,581	778,118	44,960	118,843	19,501	138,059	336,807	43.3	441,311	350,019	360,442	259,719
	3 mos.	308	2,335,172	10,307	2,361,442	104,151	348,469	57,867	427,407	985,410	41.7	1,376,032	1,102,260	1,138,733	816,991
Colorado Southern	March	787	423,404	22,443	495,301	63,126	94,037	14,333	203,391	401,821	81.1	93,480	15,711	—2,571	39,622
	3 mos.	787	1,296,005	82,614	1,531,244	150,125	290,005	42,087	648,744	1,210,685	79.1	320,559	88,604	36,693	—50,993
Fort Worth & Denver City	March	902	433,986	34,457	450,606	53,420	79,143	18,653	166,881	349,840	77.6	100,766	62,655	33,312	6,694
	3 mos.	902	1,258,331	131,284	1,356,853	145,250	247,911	56,163	500,585	1,045,048	77.0	311,805	198,734	112,289	23,164
Columbus & Greenville	March	168	110,668	6,089	123,285	17,848	14,630	4,317	38,511	87,299	70.8	35,986	3,635	3,151	32,453
	3 mos.	168	268,870	15,245	302,540	49,915	42,432	13,065	110,340	249,906	82.6	52,634	7,296	7,151	45,970
Delaware & Hudson	March	846	1,920,015	93,804	2,094,988	202,769	422,381	40,723	809,677	1,559,071	74.4	535,917	382,507	371,102	397,005
	3 mos.	846	5,873,194	271,344	6,410,925	664,893	1,233,057	125,141	2,430,466	4,709,413	73.5	1,701,512	1,238,638	1,178,435	1,184,714
Delaware, Lackawanna & Western	March	995	3,200,364	533,690	4,162,766	232,761	886,991	110,118	2,006,941	3,397,344	81.6	765,422	323,422	257,501	347,003
	3 mos.	995	10,266,193	1,583,673	13,085,286	755,287	2,610,190	327,962	6,173,341	10,328,674	78.9	2,756,612	1,453,712	1,213,257	939,437
Denver & Rio Grande Western	March	2,554	1,621,826	109,813	1,832,198	372,371	521,238	76,046	689,778	1,741,274	95.0	90,924	—120,358	—180,895	—87,511
	3 mos.	2,554	5,062,596	285,217	5,635,418	699,211	1,555,600	215,079	2,152,694	4,873,145	86.5	762,273	129,125	—16,925	13,929
Denver & Salt Lake	March	232	117,424	6,508	132,306	16,701	47,364	2,856	50,135	127,381	96.3	4,925	—19,721	29,394	25,521
	3 mos.	232	634,309	20,956	681,561	47,110	136,789	8,644	204,084	427,139	62.7	254,422	178,739	307,127	194,901
Detroit & Mackinac	March	242	42,453	1,560	50,983	7,402	11,657	886	23,518	46,572	91.3	4,411	1,189	—1,016	—1,484
	3 mos.	242	122,404	7,173	149,215	23,767	35,076	2,641	70,994	142,079	95.2	7,136	—2,546	—10,495	3,156
Detroit & Toledo Shore Line	March	50	352,337	.....	353,833	18,113	24,498	8,696	90,571	149,637	42.3	204,196	159,797	98,672	60,823
	3 mos.	50	1,110,860	.....	1,115,355	53,337	72,572	26,227	279,221	454,000	40.7	661,355	516,347	331,009	218,231
Detroit, Toledo & Ironton	March	472	694,807	204	711,365	67,270	84,444	11,997	153,737	337,291	47.4	374,074	281,097	258,322	150,075
	3 mos.	472	2,283,880	540	2,339,137	205,725	249,890	36,345	497,227	1,049,403	44.9	1,289,734	997,964	904,746	614,569
Duluth, Missabe & Iron Range	March	541	103,960	2,075	122,361	114,759	216,698	3,946	156,827	522,813	427.3	—400,452	—570,091	—565,940	—568,177
	3 mos.	541	324,745	5,143	386,905	335,333	632,185	12,279	465,999	1,537,560	397.4	—1,150,655	—1,620,319	—1,623,617	—1,689,498
Duluth, Winnipeg & Pacific	March	175	104,503	1,191	108,650	20,999	20,975	2,129	47,668	94,956	87.4	13,694	4,761	—13,747	—23,524
	3 mos.	175	346,867	2,988	358,927	57,720	62,469	6,330	147,757	283,756	79.1	75,171	46,542	—8,294	—25,918
Elgin, Joliet & Eastern	March	390	1,267,207	3	1,443,799	136,567	296,899	13,741	579,128	1,061,795	73.5	382,004	297,002	213,460	259,782
	3 mos.	390	4,413,592	58	5,065,270	392,704	931,704	43,652	1,985,898	3,458,218	68.3	1,607,052	1,216,185	898,821	800,232
Erie	March	2,268	5,803,484	365,239	6,617,674	518,679	1,382,972	170,235	2,645,518	4,987,819	75.4	1,629,855	1,060,330	778,651	939,943
	3 mos.	2,268	17,659,657	1,116,472	20,045,142	1,501,821	4,124,292	520,842	8,038,567	14,982,444	74.7	5,062,698	3,349,012	2,458,984	2,048,734
Florida East Coast	March	685	597,766	520,509	1,261,225	105,158	155,473	30,694	432,146	802,964	63.7	458,261	381,532	322,857	419,177
	3 mos.	685	1,800,501	1,594,152	3,804,913	305,334	483,912	93,894	1,235,383	2,389,130	62.8	1,415,783	1,188,653	1,030,948	1,117,421
Georgia Railroad	March	329	282,473	13,264	322,260	35,221	55,602	18,084	144,694	267,796	83.1	54,464	39,284	47,448	54,850
	3 mos.	329	809,019	35,196	916,631	103,082	152,775	54,068	422,635	773,771	84.4	142,860	98,510	119,742	145,114
Georgia & Florida	March	408	91,469	1,306	96,801	23,293	15,758	8,765	38,236	91,344	94.4	5,457	—2,799	—7,337	—12,539
	3 mos.	408	256,486	3,464	270,265	69,143	47,385	25,777	114,008	272,184	100.7	—1,919	—26,681	—39,205	—39,371
Grand Trunk Western	March	1,029	1,929,955	66,078	2,141,083	242,958	398,948	41,991	814,877	1,577,289	73.7	563,794	434,997	346,875	159,948
	3 mos.	1,029	5,637,135	211,591	6,286,383	719,656	1,188,873	121,260	2,491,794	4,730,104	75.2	1,556,279	1,175,624	912,997	340,251
Canadian National Lines in New England	March	172	115,639	3,296	129,876	28,331	36,013	1,444	68,767	143,116	110.2	—13,240	—29,334	—74,883	—46,302
	3 mos.	172	362,182	10,759	412,132	99,011	82,747	4,349	216,594	426,300	103.4	—14,168	—62,452	—191,423	—168,298
Great Northern	March	8,069	5,400,587	274,937	6,176,357	696,832	1,368,225	202,595	2,299,307	4,797,856	77.7	1,378,501	665,971	502,026	127,363
	3 mos.	8,069	14,562,120	852,491	16,818,915	1,931,754	3,775,224	570,487	6,649,247	13,636,183	81.1	3,182,732	1,116,767	744,774	—464,090
Green Bay & Western	March	234	131,862	297	136,838	20,270	15,348	6,847	48,587	96,118	70.2	40,720	27,415	22,311	20,199
	3 mos.	234	403,180	884	418,949	60,602	49,094	20,971	148,400	294,200	70.2	124,749	83,042	68,347	65,561
Gulf & Ship Island	March	259	110,040	3,967	125,180	19,815	16,512	2,706	57,039	100,060	79.9	25,120	8,896	—861	2,271
	3 mos.	259	258,850	11,243	299,307	59,271	45,209	8,227	159,564	284,782	95.1	14,525	—34,181	—57,910	—60,780
Gulf, Mobile & Northern	March	827	556,260	16,899	596,912	78,797	96,523	41,098	152,361	403,311	67.6	193,601	143,601	103,229	125,219
	3 mos.	827	1,570,163	48,409	1,689,933	223,252	262,849	121,924	457,594	1,175,097	69.5	514,836	364,836	250,094	232,754

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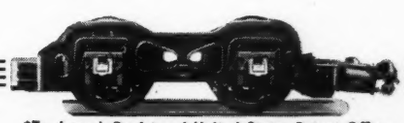
WHY DO IT THE HARD WAY?

...MAKE SMOOTH, QUICK STARTS WITH A BOOSTER*

Most of the time the average locomotive makes its starts on the power of only one cylinder. This means the engineer will be forced to take slack . . . the result is a jerky start that annoys passengers and means early repairs for the locomotive and cars. » » » When a Locomotive Booster is installed you have the necessary added power to make smooth, quick starts . . . *no matter where the drivers stop.* In some cases, when the locomotive's starting effort is at one of the minimum points, the starting power added by the Booster amounts to the equivalent of two additional drivers. » » » Whether your power is new or old, economical operation and passenger satisfaction demand the added starting power of . . . The Locomotive Booster.



*Trademark Registered United States Patent Office

FRANKLIN RAILWAY SUPPLY COMPANY, INC. NEW YORK CHICAGO MONTREAL

REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1940—CONTINUED

Name of road		Av. mileage operated during period	Operating revenues: Freight	Passenger	Total (inc. misc.)	Operating expenses: Maintenance of Way and structures	Maintenance of Equipment	Traffic	Transportation	Total	Operating ratio	Net from railway operation	Operating income	Net railway operating income 1940	1939
Illinois Central	March	4,949	$6,990,467	$754,851	$8,344,467	$791,107	$1,835,578	$203,700	$3,148,876	$6,324,368	75.8	$2,020,099	$1,286,257	$1,260,685	$1,033.923
	3 mos.	4,948	20,892,353	2,413,899	25,021,880	2,330,118	5,237,075	646,728	9,789,382	19,025,669	76.0	5,996,211	3,804,091	3,625,004	2,874,278
Yazoo & Mississippi Valley	March	1,608	1,048,191	52,064	1,174,022	119,134	189,243	32,166	501,225	888,197	75.7	285,825	146,674	85,145	228,807
	3 mos.	1,612	3,232,225	155,434	3,603,283	335,213	514,627	101,149	1,512,571	2,601,451	72.2	1,001,832	581,628	380,983	308,422
Illinois Central System	March	6,557	8,038,658	806,915	9,518,489	910,241	2,024,821	235,866	3,650,101	7,212,565	75.8	2,305,924	1,430,960	1,353,743	1,272,643
	3 mos.	6,560	24,124,578	2,569,333	28,625,163	2,665,331	5,751,702	747,877	11,301,953	21,627,120	75.6	6,998,043	4,379,807	4,029,726	3,210,439
Illinois Terminal	March	477	372,991	64,821	475,345	49,093	77,262	17,137	166,017	327,084	68.81	148,261	101,442	80,013	86,943
	3 mos.	480	1,180,590	186,324	1,481,583	145,773	217,894	51,011	525,781	993,650	67.07	487,933	346,972	271,872	192,037
Kansas City Southern	March	879	1,072,332	25,916	1,212,966	108,545	163,503	57,884	340,620	730,399	60.2	482,567	379,567	317,215	259,923
	3 mos.	879	3,145,863	72,308	3,552,651	303,134	495,972	169,201	1,057,924	2,198,404	61.9	1,354,247	1,055,247	883,909	758,563
Kansas, Oklahoma & Gulf	March	328	200,691	330	204,030	12,524	16,746	8,438	40,990	89,085	43.7	114,945	97,277	81,048	58,631
	3 mos.	328	575,878	1,034	586,073	31,721	36,697	26,047	124,684	250,248	42.7	335,825	276,846	228,216	228,432
Lake Superior & Ishpeming	March	156	23,823	58	25,750	16,735	28,122	590	20,459	71,637	278.2	—45,887	—67,949	—66,411	—65,583
	3 mos.	156	79,898	163	84,683	48,878	87,310	1,759	62,360	218,097	257.5	—133,414	—199,928	—195,472	—202,475
Lehigh & Hudson River	March	96	132,282	.....	133,232	9,121	21,230	3,665	46,661	87,084	65.4	46,148	30,397	20,377	18,512
	3 mos.	96	390,537	.....	393,412	26,966	69,344	10,782	139,232	265,654	67.5	127,758	82,121	51,457	55,007
Lehigh & New England	March	190	323,906	.....	325,846	29,093	63,458	7,072	111,057	224,922	69.0	100,924	72,413	79,575	75,524
	3 mos.	190	989,759	.....	994,921	81,693	188,246	21,253	332,819	670,147	67.4	324,774	236,927	251,949	202,382
Lehigh Valley	March	1,282	3,355,908	185,235	3,777,770	234,097	661,703	107,056	1,688,777	2,816,552	74.6	961,218	650,203	394,948	499,577
	3 mos.	1,282	10,516,749	502,394	11,729,495	707,194	2,005,785	318,574	5,188,305	8,590,520	73.2	3,138,975	2,206,071	1,393,109	1,593,083
Louisiana & Arkansas	March	846	624,487	7,178	657,759	92,700	88,840	30,964	185,364	425,555	64.7	232,204	180,651	128,996	108,969
	3 mos.	846	1,872,322	20,443	1,967,356	255,531	279,644	90,234	564,051	1,268,237	64.5	699,119	534,467	390,182	286,614
Louisville & Nashville	March	4,871	6,143,480	498,703	7,174,528	883,121	1,803,339	180,129	2,670,649	5,821,030	81.1	1,353,498	775,398	822,309	1,051,749
	3 mos.	4,871	20,589,344	1,652,033	23,758,029	2,518,406	6,006,887	556,921	8,428,509	18,359,427	77.3	5,398,602	3,312,571	3,381,884	3,321,791
Maine Central	March	991	951,484	64,211	1,104,234	142,454	191,667	12,762	382,740	763,411	69.1	340,823	259,068	191,438	182,865
	3 mos.	991	2,843,062	195,482	3,294,070	416,772	586,611	35,249	1,174,436	2,313,828	70.2	980,242	742,871	585,005	518,514
Midland Valley	March	352	89,407	3	90,993	14,087	7,711	2,535	29,483	60,489	66.5	30,504	19,285	13,391	30,869
	3 mos.	352	336,588	15	342,823	28,320	22,220	7,777	97,641	174,784	51.0	168,039	134,648	106,291	94,153
Minneapolis & St. Louis	March	1,512	648,270	6,623	688,016	59,412	135,746	45,560	271,686	551,344	80.1	136,672	93,592	53,386	78,502
	3 mos.	1,512	1,963,893	16,823	2,077,900	182,843	399,049	150,412	826,441	1,674,606	80.6	403,294	268,292	146,698	131,965
Minneapolis, St. Paul & Sault Ste. Marie	March	4,285	1,909,935	62,377	2,137,400	272,516	431,892	65,538	942,702	1,793,028	83.9	344,372	168,587	77,994	—126,154
	3 mos.	4,285	5,481,599	176,696	6,110,864	775,186	1,216,620	189,312	2,847,767	5,276,880	86.4	833,984	318,249	47,912	—671,284
Duluth, South Shore & Atlantic	March	550	134,197	7,054	153,692	20,345	31,256	6,697	60,327	126,224	82.1	27,468	14,487	11,585	—42,189
	3 mos.	550	396,963	20,558	452,147	78,015	96,033	19,338	214,831	428,454	94.8	23,693	—16,475	—22,710	—116,394
Spokane International	March	152	48,354	707	55,536	11,539	6,982	2,162	21,020	45,987	82.8	9,549	4,565	1,685	5,402
	3 mos.	152	143,405	2,023	166,572	27,495	19,913	6,605	63,144	125,502	75.3	41,070	26,127	16,726	19,670
Mississippi Central	March	150	66,237	1,704	70,258	28,441	10,759	7,386	21,162	72,236	102.8	—1,978	—6,610	—11,569	1,449
	3 mos.	150	189,996	6,297	203,332	47,268	30,304	21,317	63,366	176,273	86.7	27,059	13,459	—311	—12,163
Missouri & Arkansas	March	365	97,198	1,488	104,820	21,215	10,821	7,415	33,477	77,681	74.1	27,139	22,503	12,832	3,781
	3 mos.	365	257,009	4,092	286,897	60,221	31,375	20,868	94,017	220,734	76.9	66,163	53,015	27,742	7,292
Missouri-Illinois	March	193	165,310	302	168,359	19,647	18,344	3,481	46,467	93,227	55.4	75,132	58,982	47,626	45,042
	3 mos.	193	490,809	898	497,936	46,846	63,662	9,567	141,764	277,586	55.7	220,350	173,703	141,038	129,252
Missouri-Kansas-Texas Lines	March	3,293	1,810,666	156,384	2,202,655	276,986	370,026	104,678	884,315	1,761,075	80.0	441,580	255,742	71,942	93,779
	3 mos.	3,294	5,323,401	479,949	6,458,344	783,425	1,078,707	315,719	2,690,771	5,235,559	81.1	1,222,785	755,716	211,453	37,785
Missouri Pacific	March	7,146	5,660,197	408,005	6,716,190	1,054,339	1,451,977	243,705	2,597,254	5,625,669	83.8	1,090,521	579,995	271,508	250,694
	3 mos.	7,146	17,643,901	1,280,785	20,789,061	2,576,569	4,159,330	730,320	8,147,259	16,438,316	79.1	4,350,745	2,813,362	1,781,541	1,060,154
Gulf Coast Lines	March	1,759	1,339,752	34,165	1,444,527	215,989	202,751	46,036	410,219	928,534	64.28	515,993	434,476	316,739	538,224
	3 mos.	1,759	4,134,056	104,056	4,435,171	604,295	570,968	136,360	1,250,113	2,716,323	61.25	1,718,848	1,478,933	1,095,520	1,359,804
International Great Northern	March	1,155	755,107	90,492	970,603	163,507	197,796	30,776	418,300	866,876	89.3	103,727	38,308	—40,841	—19,517
	3 mos.	1,155	2,178,193	266,422	2,789,269	467,118	579,937	90,362	1,220,448	2,519,687	90.3	269,582	76,810	—139,021	—196,199
Mobile & Ohio	March	1,181	927,254	21,853	998,514	165,400	188,786	42,469	341,549	784,699	78.5	213,815	149,036	72,528	82,209
	3 mos.	1,181	2,561,319	67,928	2,759,781	467,116	562,925	130,907	1,032,158	2,323,838	84.2	435,943	239,704	24,767	94,895
Monongahela	March	172	407,884	635	410,969	39,721	41,592	614	88,789	173,368	42.2	237,601	198,281	121,030	104,674
	3 mos.	172	1,324,072	1,664	1,335,177	112,676	121,075	1,543	297,302	540,407	40.5	794,770	675,885	435,735	271,774

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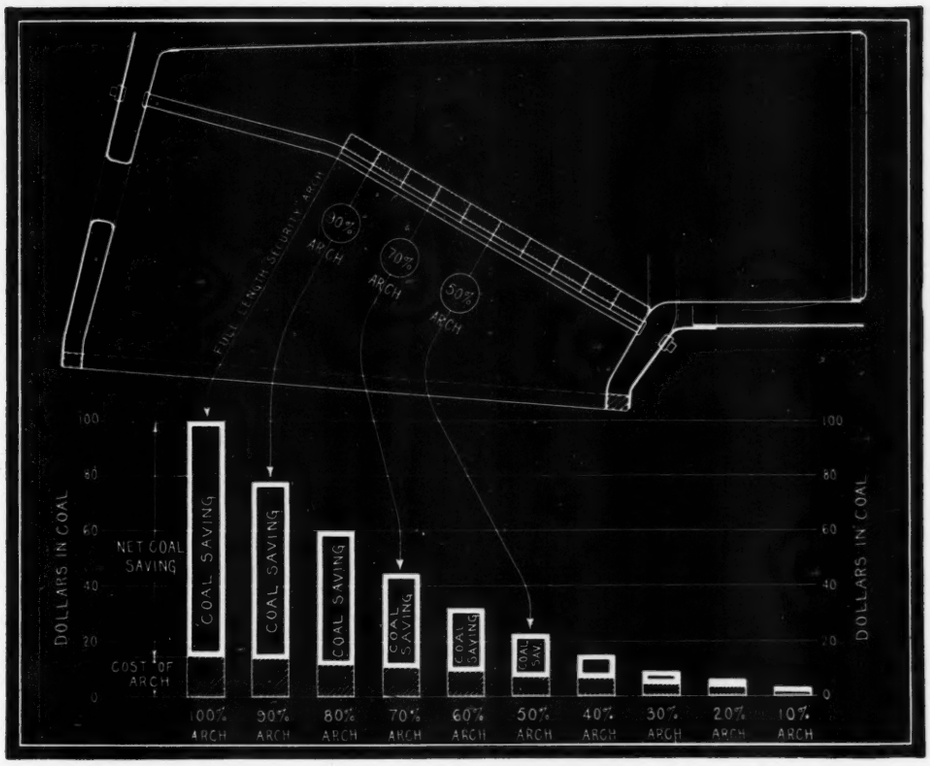


THE EFFECT OF ABBREVIATED ARCHES ON FUEL SAVING

LET THE ARCH HELP YOU SAVE

With the emphasis being placed on saving every railroad dollar, the locomotive Arch becomes increasingly important.

Regardless of the amount of traffic handled, the locomotive Arch saves enough fuel to pay for itself ten times over.

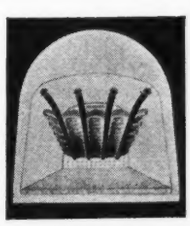
Be sure that every locomotive leaving the roundhouse has its Arch complete with not a single brick nor a single course missing.

In this way, you will get more work for each dollar of fuel expense. Skimping on Arch Brick results in a net loss to the railroad.

THERE'S MORE TO SECURITY ARCHES THAN JUST BRICK

HARBISON-WALKER REFRACTORIES CO.

Refractory Specialists



AMERICAN ARCH CO.
INCORPORATED
60 EAST 42nd STREET, NEW YORK, N. Y.

Locomotive Combustion Specialists

REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1940—CONTINUED

Name of road		Av. mileage operated during period	Operating revenues: Freight	Passenger	Total (inc. misc.)	Operating expenses: Maintenance of: Way and structures	Equipment	Traffic	Transportation	Total	Operating ratio	Net from railway operation	Operating income	Net railway operating income: 1940	1939
Montour	March	51	$141,787	.....	$143,419	$10,446	$42,278	$1,059	$41,484	$101,668	70.9	$41,751	$20,985	$49,339	$63,932
	3 mos.	51	448,957	.....	454,703	26,856	118,099	2,984	135,591	302,383	66.5	152,320	104,199	188,861	153,235
Nashville, Chattanooga & St. Louis	March	1,111	1,008,856	$105,671	1,255,127	120,653	278,905	66,969	524,903	1,048,953	83.6	206,174	125,261	98,714	200,735
	3 mos.	1,111	2,912,363	362,468	3,688,701	342,462	743,832	209,334	1,527,198	2,994,353	81.2	694,348	454,313	366,307	556,196
Nevada Northern	March	165	55,489	1,388	62,089	7,376	2,180	1,211	10,666	26,625	42.9	35,464	24,213	26,051	15,414
	3 mos.	165	152,947	2,687	168,730	22,455	7,970	3,659	30,822	80,264	47.6	88,466	55,682	61,766	48,404
New York Central	March	10,986	20,387,140	4,702,414	28,274,730	2,828,243	6,309,281	548,497	11,465,109	22,412,853	79.3	5,861,877	3,257,408	2,199,307	1,822,066
	3 mos.	10,994	64,329,243	14,517,860	88,012,076	8,404,991	18,561,726	1,613,466	35,217,873	67,651,309	76.9	20,360,767	11,577,017	7,998,245	4,530,722
Pittsburgh & Lake Erie	March	233	1,494,066	42,166	1,587,493	144,881	719,932	27,474	578,909	1,547,893	97.5	39,600	—114,966	137,321	98,108
	3 mos.	233	4,846,258	133,923	5,137,887	405,286	2,135,691	84,296	1,720,815	4,579,289	89.1	558,598	37,439	766,573	419,738
New York, Chicago & St. Louis	March	1,704	3,575,647	58,138	3,744,482	348,540	683,593	122,331	1,429,463	2,702,155	72.2	1,042,327	765,803	456,150	593,676
	3 mos.	1,704	10,937,379	170,268	11,434,309	1,048,660	1,896,057	365,563	4,277,821	7,942,529	69.5	3,491,780	2,779,436	1,815,515	1,564,732
New York, New Haven & Hartford	March	1,866	3,880,917	2,131,792	6,752,379	694,245	1,133,079	116,818	2,704,195	5,048,913	74.8	1,703,466	1,148,466	539,837	646,671
	3 mos.	1,866	11,724,330	6,395,684	20,182,230	2,168,157	3,448,221	309,174	8,086,946	15,168,820	75.2	5,013,410	3,348,410	1,518,012	1,585,028
New York Connecting	March	21	196,923	.....	208,794	28,346	9,615	.....	33,038	72,265	34.6	136,529	93,496	101,717	164,951
	3 mos.	21	597,205	.....	624,061	78,632	15,050	.....	86,924	184,797	29.6	439,264	310,565	335,808	445,510
New York, Ontario & Western	March	576	358,625	3,906	405,698	57,881	104,384	16,369	247,252	445,692	109.9	—39,994	—87,854	—120,105	—5,803
	3 mos	576	1,077,479	15,529	1,216,817	158,463	292,021	48,111	733,169	1,293,340	106.3	—76,523	—218,206	—293,284	—37,240
New York, Susquehanna & Western	March	144	245,385	20,477	277,317	18,294	29,283	999	99,263	161,265	58.2	116,052	85,600	59,606	20,105
	3 mos.	144	713,142	56,362	807,064	46,915	75,099	6,249	324,119	489,391	60.6	317,673	225,906	141,050	79,131
Norfolk & Western	March	2,191	7,703,917	159,761	8,106,394	814,515	1,730,903	138,912	1,801,532	4,671,250	57.6	3,435,144	2,250,760	2,503,079	1,869,401
	3 mos.	2,191	23,832,934	473,215	24,995,757	2,366,419	5,080,660	425,024	5,566,536	14,010,406	56.1	10,985,351	7,357,211	8,159,553	5,887,570
Norfolk Southern	March	805	318,055	3,490	337,988	73,366	57,730	25,285	137,846	314,597	93.1	23,391	—8,704	—24,995	13,181
	3 mos.	805	918,591	7,987	971,985	214,489	162,318	75,136	403,703	919,078	94.6	52,907	—45,383	—90,887	—49,064
Northern Pacific	March	6,720	4,472,266	236,261	5,130,620	685,152	1,070,886	153,076	1,874,403	4,044,233	78.8	1,086,387	514,911	804,981	108,408
	3 mos.	6,720	11,956,807	749,558	13,941,509	1,836,294	3,003,804	456,097	5,614,241	11,708,070	84.	2,233,439	576,745	1,496,246	165,886
Northwestern Pacific	March	352	176,864	42,651	242,052	88,646	50,142	3,450	138,642	291,044	120.2	—48,992	—69,292	—82,633	—56,747
	3 mos.	352	459,783	117,526	644,434	211,437	147,242	11,852	400,899	802,843	124.6	—158,409	—218,788	—249,362	—205,385
Oklahoma City-Ada-Atoka	March	132	23,645	230	25,614	4,745	1,875	696	10,602	19,543	76.3	6,071	3,694	—301	—1,058
	3 mos.	132	63,290	781	69,357	13,545	4,435	2,197	32,326	57,448	82.8	11,909	4,419	—7,089	1,601
Pennsylvania	March	10,270	26,629,386	5,855,007	35,722,506	3,352,463	7,237,936	723,597	13,413,598	25,895,422	72.5	9,827,084	6,162,797	5,459,458	5,039,060
	3 mos.	10,270	81,762,701	17,666,318	108,602,565	10,089,717	23,622,342	2,098,806	41,558,802	81,110,032	74.7	27,492,533	17,556,106	15,627,941	13,843,822
Long Island	March	379	633,322	1,135,673	1,846,461	189,702	376,905	12,508	953,451	1,567,035	84.9	279,426	56,715	—104,128	—156,024
	3 mos.	379	1,707,224	3,397,355	5,346,052	606,692	1,123,721	26,823	2,823,046	4,683,516	87.6	662,536	41,082	—449,472	—446,759
Pennsylvania-Reading Seashore Lines	March	411	271,093	99,050	389,119	82,191	95,220	6,363	268,947	468,407	120.4	—79,288	—153,509	—230,536	—225,182
	3 mos.	411	815,964	280,140	1,148,628	248,156	287,465	17,730	806,795	1,411,178	122.9	—262,550	—475,363	—695,763	—616,585
Pere Marquette	March	2,114	2,485,740	59,121	2,671,742	314,434	566,235	60,217	1,050,636	2,085,270	78.0	586,472	407,353	255,621	304,974
	3 mos.	2,114	7,598,030	210,187	8,162,189	952,599	1,673,568	183,774	3,136,537	6,225,653	76.3	1,936,536	1,404,599	1,097,236	710,670
Pittsburg & Shawmut	March	98	72,009	.....	72,214	9,477	19,918	1,652	22,178	57,275	79.3	14,939	12,314	4,133	5,359
	3 mos.	98	214,318	.....	215,128	28,702	56,234	5,336	66,021	168,286	78.2	46,842	39,286	14,287	4,853
Pittsburgh & West Virginia	March	136	309,438	.....	326,727	33,079	68,708	19,012	74,695	218,053	66.7	108,674	84,947	86,374	59,775
	3 mos	136	1,011,495	97	1,064,663	140,787	219,319	51,507	233,588	713,467	67.0	351,196	279,065	303,326	200,961
Pittsburg, Shawmut & Northern	March	190	96,683	.....	97,669	11,217	16,918	993	32,354	66,882	68.5	30,787	25,473	16,349	12,840
	3 mos.	190	323,016	.....	325,889	33,158	50,649	3,284	104,389	208,876	64.1	117,013	100,729	71,742	50,864
Reading	March	1,451	4,397,401	276,226	4,920,077	369,594	954,143	72,029	1,967,858	3,511,313	71.4	1,408,764	1,005,939	943,149	894,851
	3 mos.	1,451	13,643,765	823,291	15,195,728	1,120,070	2,999,335	210,726	6,058,708	10,835,304	71.3	4,360,424	3,148,032	2,856,953	2,559,258
Richmond, Fredericksburg & Potomac	March	118	406,286	394,852	942,854	85,446	144,931	9,634	344,999	641,857	68.1	300,997	224,707	133,947	112,925
	3 mos.	118	1,214,983	1,128,666	2,706,405	220,398	423,210	28,924	1,022,211	1,863,951	68.9	842,454	626,136	360,590	266,812
Rutland	March	407	190,260	27,449	285,760	34,626	54,625	10,674	137,679	247,701	86.7	38,059	18,009	18,014	—9,608
	3 mos.	407	553,763	84,932	818,287	93,164	174,446	30,808	409,631	736,647	90.0	81,640	18,044	16,788	—76,717
St. Louis-San Francisco	March	4,820	2,936,986	238,384	3,523,132	505,795	883,446	122,024	1,483,828	3,172,651	90.1	350,481	21,812	44,485	68,534
	3 mos.	4,820	8,927,798	759,833	10,685,903	1,588,204	2,572,413	363,256	4,493,820	9,553,091	89.4	1,132,812	182,557	262,421	—53,278
St. Louis, San Francisco & Texas	March	159	91,515	343	96,889	23,069	14,888	7,880	53,191	105,080	108.5	—8,191	—16,789	—41,256	—37,756
	3 mos.	210	291,996	1,219	307,632	72,087	41,794	23,623	159,463	314,983	102.4	—7,351	—32,323	—107,791	—87,446

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REVENUES AND EXPENSES OF RAILWAYS

MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1940—CONTINUED

Name of road		Av. mileage operated during period	Operating revenues: Freight	Passenger	Total (inc. misc.)	Operating expenses: Maintenance of: Way and structures	Equipment	Traffic	Transportation	Total	Operating ratio	Net from railway operation	Operating income	Net railway operating income: 1940	1939
St. Louis Southwestern Lines	March	1,690	$1,719,721	$21,478	$1,811,381	$263,044	$253,396	$83,253	$537,167	$1,213,136	67.0	$598,245	$487,337	$347,938	$235,517
	3 mos.	1,690	4,750,805	66,461	5,011,126	626,969	733,684	247,389	1,593,144	3,435,772	68.6	1,575,354	1,244,523	836,930	305,462
Seaboard Air Line	March	4,314	3,246,140	1,040,028	4,739,552	593,907	807,733	180,251	1,652,940	3,502,314	73.9	1,237,238	887,238	725,270	495,658
	3 mos.	4,314	9,480,338	2,873,627	13,561,775	1,627,382	2,367,043	555,984	4,947,948	10,268,265	75.7	3,293,510	2,243,510	1,720,037	1,156,637
Southern Ry.	March	6,594	7,060,116	733,776	8,486,425	1,089,374	1,431,838	161,215	2,968,077	5,987,228	70.6	2,499,197	1,822,332	1,583,624	1,536,586
	3 mos.	6,603	21,168,309	2,165,858	25,312,713	3,308,892	4,394,483	497,085	8,985,166	18,177,745	71.8	7,134,968	5,072,475	4,278,194	3,779,737
Alabama Great Southern	March	315	565,038	43,336	652,822	90,715	128,510	11,536	188,273	441,662	67.7	211,160	158,910	164,352	167,603
	3 mos.	315	1,534,548	124,799	1,783,393	268,775	395,640	38,880	558,653	1,331,277	74.6	452,116	288,413	308,671	331,304
Cinn., New Orleans & Tex. Pacific	March	337	1,327,059	115,250	1,531,477	164,549	276,151	28,071	389,577	916,101	59.8	615,376	485,621	502,145	454,302
	3 mos.	337	3,868,980	398,140	4,525,939	507,726	887,796	87,413	1,205,648	2,863,931	63.3	1,662,008	1,199,052	1,258,474	1,213,629
Georgia, Southern & Florida	March	398	153,262	65,549	242,845	35,407	39,923	1,536	98,454	186,721	76.9	56,124	39,411	24,361	8,711
	3 mos.	398	419,913	212,576	698,703	107,818	116,069	5,160	285,883	546,000	78.1	152,703	103,287	68,663	72,466
New Orleans & Northeastern	March	204	228,551	13,407	262,088	34,369	35,876	4,936	81,157	168,680	64.4	93,408	63,401	41,875	36,719
	3 mos.	204	671,909	43,155	771,022	105,870	104,720	16,897	240,484	505,031	65.5	265,991	174,616	105,439	68,620
Southern Pacific-Pac. Lines	March	8,642	10,199,018	1,420,681	12,747,080	1,511,780	2,602,450	388,301	5,017,642	10,328,729	81.0	2,418,351	1,241,964	545,164	1,296,569
	3 mos.	8,642	30,161,644	4,288,397	37,588,946	4,411,177	7,350,949	1,069,671	14,741,634	29,987,870	79.8	7,601,076	4,053,330	2,039,170	1,865,308
Southern Pac. S.S. Lines	March	.....	702,563	26,233	765,646	15,729	105,460	19,403	527,815	683,252	89.2	82,394	59,469	58,488	26,027
	3 mos.	.....	2,082,051	78,834	2,270,956	46,625	316,446	58,664	1,553,765	2,020,051	89.0	250,905	184,740	180,704	60,127
Texas & New Orleans	March	4,417	3,184,354	270,915	3,768,436	568,806	638,339	128,091	1,277,539	2,817,190	74.8	951,246	640,834	372,519	427,448
	3 mos.	4,416	9,555,242	797,027	11,228,307	1,610,875	1,912,293	381,196	3,805,610	8,326,825	74.2	2,901,482	1,959,288	1,140,026	1,021,351
Spokane, Portland & Seattle	March	948	638,449	24,410	714,051	142,487	85,450	10,173	259,075	522,612	73.2	191,439	129,942	88,112	56,254
	3 mos.	948	1,752,203	75,437	1,987,921	299,999	256,502	29,994	772,498	1,441,064	72.5	546,857	340,580	211,193	118,703
Tennessee Central	March	286	200,493	5,310	219,868	39,188	33,353	7,327	76,190	166,025	75.5	53,843	40,032	25,338	13,210
	3 mos.	286	628,633	15,607	682,623	107,360	100,710	20,639	237,894	495,556	72.6	187,067	139,891	88,984	39,798
Texas & Pacific	March	1,936	1,929,163	169,195	2,303,932	279,370	399,083	72,887	700,575	1,574,828	68.4	729,104	553,218	460,765	346,088
	3 mos.	1,936	5,411,476	525,506	6,502,675	757,670	1,142,868	224,114	2,064,669	4,543,749	69.9	1,958,926	1,462,478	1,176,749	1,014,390
Texas Mexican	March	162	49,453	385	63,672	11,897	11,154	3,108	27,849	60,146	94.5	3,526	—2,368	—3,958	16,385
	3 mos.	162	154,302	1,658	196,427	32,540	28,632	9,220	85,964	173,799	88.5	22,628	5,101	—4,475	9,426
Toledo, Peoria & Western	March	239	180,212	.....	182,406	35,112	13,112	17,155	42,877	118,393	64.9	64,013	44,981	29,389	30,058
	3 mos.	239	568,511	43	575,725	113,508	42,472	51,620	133,110	371,324	64.5	204,401	141,708	94,409	65,234
Union Pacific System	March	9,889	10,084,616	1,176,756	12,351,253	1,250,871	2,591,979	398,524	4,394,030	9,319,802	75.5	3,031,451	1,661,811	977,994	920,029
	3 mos.	9,895	29,364,249	3,451,234	35,986,162	3,092,945	7,173,805	1,179,812	13,318,701	26,821,735	74.5	9,164,427	5,119,947	3,187,368	2,470,300
Utah	March	111	56,734	.....	56,869	7,476	20,049	400	16,790	49,073	86.3	7,796	222	3,643	—140
	3 mos.	111	244,238	.....	244,796	26,021	78,366	1,309	69,579	188,048	76.8	56,748	24,447	27,654	22,929
Virginian	March	639	2,040,833	2,834	2,093,313	182,940	397,925	24,288	310,034	945,177	45.2	1,148,136	848,136	870,182	829,261
	3 mos.	639	6,251,659	8,043	6,406,506	506,168	1,177,424	75,727	964,921	2,821,035	44.0	3,585,471	2,660,471	2,769,482	2,347,942
Wabash	March	2,409	3,328,440	194,476	3,801,575	500,315	630,872	145,914	1,554,179	2,986,238	78.6	815,337	583,294	260,927	265,005
	3 mos.	2,409	9,889,683	591,478	11,325,520	1,348,506	1,924,099	436,607	4,679,279	8,867,076	78.3	2,458,444	1,763,955	756,197	430,478
Ann Arbor	March	294	324,100	1,888	333,205	30,491	72,371	14,154	155,816	284,835	85.5	48,370	26,245	12,471	25,956
	3 mos.	294	972,765	5,078	1,000,057	77,217	222,462	41,723	463,637	840,885	84.1	159,172	92,892	56,377	46,067
Western Maryland	March	859	1,463,502	5,883	1,528,632	177,851	300,669	39,075	405,131	973,340	63.7	555,292	445,292	448,144	374,216
	3 mos.	859	4,629,419	17,590	4,846,378	542,700	1,017,594	119,437	1,272,450	3,097,229	63.9	1,749,149	1,419,149	1,424,790	1,098,294
Western Pacific	March	1,208	1,195,661	30,917	1,250,535	242,051	207,304	61,160	509,580	1,072,325	85.7	178,210	92,978	22,363	—108,524
	3 mos.	1,208	3,319,115	81,033	3,474,225	544,037	645,919	176,136	1,468,662	3,002,219	86.4	472,006	219,034	4,144	—146,374
Wheeling & Lake Erie	March	508	1,128,524	.....	1,167,566	131,484	237,719	36,298	372,945	810,887	69.5	356,679	210,265	283,480	264,459
	3 mos.	508	3,607,128	18	3,737,198	355,021	813,961	110,880	1,162,460	2,539,118	67.9	1,198,080	733,082	966,713	799,045